

ATHLETICS 47
Black invests heavily with best intentions
Platt tops list to take over at The Daily
Fat.
Thin.

THE TIMES

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FRIDAY JUNE 20 1997

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GOODWOOD FESTIVAL OF SPEED

16-PAGE SPECIAL SUPPLEMENT

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Promise to heal party divisions after 92 to 70 votes victory in leadership ballot

Clarke bows out as Tories pick Hague

By Philip Webster, Political Editor

WILLIAM HAGUE became the youngest Tory leader for 200 years yesterday and swiftly promised to heal the divisions that have dogged the party for years and cast it into the wilderness.

He defeated Kenneth Clarke by the unexpectedly large margin of 92 votes to 70 after the Shadow Chancellor's last-minute deal for the final run-off with John Redwood spectacularly backfired.

Mr Clarke and Mr Redwood were punished by Tory MPs, including some of their own former supporters, for what was condemned as a cynical marriage of convenience to get Mr Clarke over the final hurdle and Mr Redwood a senior post in the Shadow Cabinet.

Mr Clarke immediately announced that he was returning to the backbenches and politely refused Mr Hague's offer of a front-bench job. He will automatically become the leader of the still substantial backbench pro-European grouping whose members were deeply dispirited by his defeat.

Mr Clarke said he had decided before the leadership contest that, having served on the front bench in Opposition and government for 26 years, he would step down if he did not win. In any case he would have found it difficult to serve in a Shadow Cabinet required to observe Mr Hague's line of ruling out a single currency for at least two Parliaments.

There was no immediate word from Mr Redwood, for



Clarke: lost support in "deal too far"

whom the result was a disaster. The deal under which he secured the promise of the post of Shadow Chancellor in a Clarke leadership had been denounced by many of his friends on the Right. Having done so well to finish third in the first round, he was last night seen as the contest's big loser.

Today Mr Hague will start considering appointments to his Shadow Cabinet. Peter Lilley and Michael Howard, who switched to him after their elimination in the first ballot, are expected to become

Shadow Chancellor and Shadow Foreign Secretary. There will also be big jobs for Stephen Dorrell and Gillian Shephard.

The size of Mr Hague's victory stunned both camps. Mr Clarke increased his vote from the second round by only six, even though there were 38 Redwood votes to be redistributed.

Several MPs apparently felt Mr Clarke had been diminished by the agreement with Mr Redwood, and could not stomach the idea of voting for the man who tried to bring down John Major in 1995.

On the other side, it was equally clear that many of those who voted for Mr Redwood in the earlier rounds could not bring themselves to support Mr Clarke.

From MPs in all camps last night came the verdict that it had been a "deal too far".

Mr Hague, at 36 the youngest leader since the 24-year-old Pitt the Younger in 1783, has had a remarkable rise to power. He entered the Cabinet only two years ago and even at the start of the leadership race was close to standing as Michael Howard's running mate and deputy. The size of his victory has given him considerable authority to carry out his avowed aim of shaking up the party.

The Tories finally decided to fight youth with youth: Tony Blair, at 44, is the youngest Prime Minister of the century.

Baroness Thatcher once called Mr Hague "possibly



William Hague and Pfiou Jenkins, his fiancée, outside Central Office after his victory. At 36, he is the youngest party leader since Pitt the Younger

another young Pitt" when, at 16, he took the 1977 party conference by storm with a rousing speech. On Wednesday she threw her weight behind him when it seemed Mr Clarke was gaining the upper hand.

The result was declared in Committee Room 10 at 5.17pm, and Mr Hague was rapturously cheered as he told MPs "we are all in the same team now", and promised to invite figures from all sections of the

party into his leadership team. He then went on to Conservative Central Office, where he formally took over from John Major. He promised to take the party back to unity and power. There would be no grudges against his opponents, and there would be a "clean slate".

He said: "I see it as my job not only to lead the party, but to heal its divisions. I owe it to every member of the party to make sure I extend the hand of

friendship and co-operation." Mr Hague added: "I am going to bring the party together. I am going to take it back on the road to unity, to confidence and back to power and the whole Conservative party is now going to work together to achieve that objective."

His swift offer of a job to Mr Clarke was declined graciously. Mr Clarke insisted it was no comment on the leadership contest or Mr Hague. He said: "I've explained to William that

long before the campaign started, immediately after the general election, I had decided that I wouldn't serve in the Shadow Cabinet if I did not become the leader.

"This has absolutely nothing to do with the events of this leadership campaign, which we have all set behind us and which was a perfectly reasonable campaign. I have been on the frontbenches for 26 years. I have either been in most departments or I have

shadowed them. I've retained my enthusiasm for politics and I think it might wear off if I carry on shadowing yet another department or part of government."

Mr Redwood's position as one of the Right's leading standard-bearers has been badly damaged and it was not clear whether he would rebuild his front-bench career.

Hague's pledge, page 2
Leading article, page 2

Blair gives dome the go-ahead

Tony Blair has approved the £750m Millennium Exhibition after visiting the site at Greenwich but ordered that the existing scheme should be revamped. The Millennium Commission's plans will need to be totally redrawn to inject more imagination and creativity into the scheme to celebrate the year 2000. While the dome, designed by Sir Richard Rogers, will stay much of the proposed content will be redrafted. Page 8
Leading article, page 21

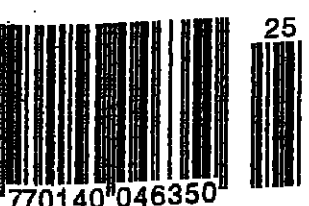
Accountancy exams

The Institute of Chartered Accountants' 1997 Intermediate results will be published tomorrow. Copies will be on sale this evening from 10pm at Charing Cross, King's Cross and Victoria stations, Marble Arch and Leicester Square.

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McDonald's win Dave and Goliath libel fight

By Frances Gibb and Joanna Bale

THE fast-food chain McDonald's won a pyrrhic victory yesterday when it was awarded £60,000 in damages at the end of its £10 million record-breaking libel action against two "green" campaigners, Dave Morris and Helen Steel.

After a 314-day trial spread over 24 years, the longest in English legal history, Mr Justice Bell ruled that the company had been libelled by most of the allegations in a leaflet published by the protesters in the late 1980s.

But in a ruling that also prompted the protesters to claim victory, the judge upheld three allegations, saying that the leaflet was true when it accused McDonald's of paying low wages to its workers,

of cruelty in the rearing of some of its animals and in the way children were exploited in the targeting of its advertising.

In the contest, dubbed McLibel, McDonald's sued Mr Morris, 43, a former postman, and Ms Steel, 31, a former gardener. The pair, who have never had any money, defended themselves with the help of £35,000 raised by the McLibel support campaign.

The action was brought over a pamphlet which accused the corporation of being responsible for starvation in the Third World, of destroying vast areas of Central American rainforest, of serving unhealthy food, of cruelty in the rearing and slaughter of its animals, of treating its workers badly

and of exploiting children in its advertising and marketing.

Mr Justice Bell awarded a total of £30,000 against Mr Morris and Ms Steel for each of the two companies in the action. McDonald's Corporation and McDonald's Restaurants Ltd. Ms Steel was jointly responsible for £27,500 of the total because her involvement was over a shorter time.

Yesterday McDonald's said it did not intend to pursue the couple for damages: they have a joint income of less than £7,500 a year. Mr Morris promised to take the fight to the European Court of Human Rights to challenge Britain's "oppressive" libel laws.

Protesters defiant, page 6

Jonathan Aitken and wife to part

By Michael Horsnell

JONATHAN AITKEN and his wife, Lolita, last night announced their separation "for personal reasons" after 18 years of marriage.

The former Cabinet minister and his Serbian-born wife, who met in London in 1973, had spent most of the last three weeks together at the High Court where he is fighting a libel action against The Guardian and Granada TV over allegations about his Saudi Arabian business connections. The case was adjourned yesterday, apparently because new evidence had come to light.

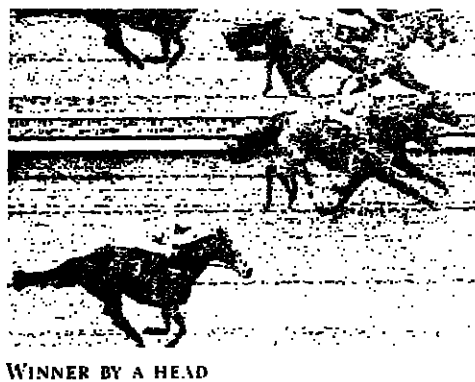
The couple, who have three children, twins Victoria and Alexandra, 17, and William, 14, have been under considerable strain during the hearing,

where she had been due to give evidence on her husband's behalf yesterday. Mr Aitken, 54, said last night: "Recent events have shattered me and broken our family."

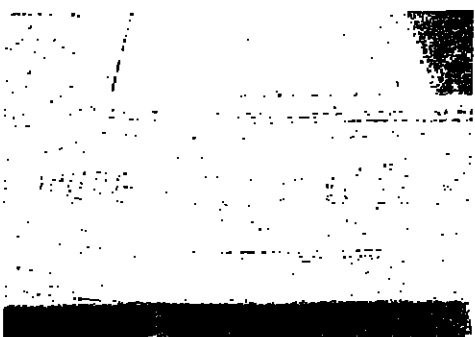
There was no comment from Mrs Aitken, a naturalised Swiss. She and her millionaire husband live in Lord North Street, Westminster, and at the White House overlooking Sandwich Bay in Kent.

The couple were introduced by the mother of Mr Aitken's Saudi Arabian friend and business partner, Said Ayas.

Mr Aitken had intended to call his wife, their daughters and his mother-in-law to give evidence over allegations that he was financially dependant on the Saudis.



WINNER BY A HEAD



WINNER BY A NECK

ROYAL ASCOT	17-20 June
WIMBLEDON TENNIS CHAMPIONSHIP	23 June-6 July
POLA, VEGETARIAN GOLD CUP, CHURCHMAN PRIZE	26 June-20 July
HENLEY ROYAL REGATTA	2-6 July
SAD GORNBELL TEST MATCH v AUSTRALIA, OLD TRAFFORD	5-7 July
HAMPDEN COURT PALACE INTERNATIONAL FLOWER SHOW	9-13 July
HENLEY FESTIVAL OF MUSIC AND THE ARTS	9-12 July
BATHFEST GRAND PRIX, ST. JULIANS	13 July
GLASNEVIN GOLF AND COUNTRY	25 July-2 August
CORRIGS WEEK	2-9 August

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William the conqueror tries to answer the leading questions

What were you doing at the moment William Hague was elected Tory Leader? Lobby correspondents, already drained from two previous ballots and five weeks of being sleeve-tugged and lied to by Tory MPs and battered by the ebbs and flows of rival fortunes, huddled — emotional husks — in the corridor.

Three times a hush descended on massed reporters, awaiting the result. The first two proved false alarms. What was the delay? Rumours circu-

lated of confusion at the count in committee room 13.

It was said that a couple of the more impressionable new Tory MPs had voted for Margaret Thatcher as Leader, following her tea-room visit yesterday. Another rumour was that scrutineers were unable to decide whether to credit John Major's ballot paper, spoiled with the words "sod off Redwood", to William Hague. And then the result. Hague 92, Clarke 70.

"Yes!" squealed a claque of teenage Haguettes. One TV

anchorman, reporting live from Westminster, had launched into a script beginning "What Julian Lewis MP thinks..." to be interrupted by Lewis himself who happened to be passing.

"That's not what I think at all," said Lewis, striding into camera shot.

Journalists stampeded for the next Hague-opportunity: the St Stephen's entrance, where he was to appear. "What's going to happen?" I whispered to a hardened hack who joined me there.



MATTHEW PARRIS

POLITICAL SKETCH

"Hague will come out. Then Clarke will come out. Hague will be happy, then call for unity. Clarke will be sad, then call for unity. Later, supporters of each will start bad-mouthing the other."

Hague came out with a cheery grin. He was happy. He called for unity. He left. One of his supporters sidled

up to me and started bad-mouthing Clarke.

Then a Clarke lieutenant sidled up and bad-mouthed Hague. We ran to Smith Square, where Clarke came out with Hague, and looked sad, and called for unity.

We were hustled inside Conservative Central Office for the presentation of the new leader.

The Tory chairman Brian Mawhinney handled this.

Rattled by heckling from a dissident, Dr Mawhinney welcomed Mr Hague's fiancée, Fiona Jenkins, to what would shortly prove "a new experience for you and for William." Sniggers among the audience were glared at.

To applause, he welcomed Kenneth Clarke. Journalists scanned the ranks of Tory MPs for those applauding loudest. These would be the ones who had betrayed him. Then he welcomed John

Major. The applause was thunderous. On and on it went. This is how the Tory party greets those it has humiliated.

Mr Major made a moving speech, each call for unity rapturously applauded by the party which had denied him unity.

Exit Major. More applause. Then it was William Hague's turn. He came on to a purple backdrop declaring FRESH START. He made a good speech, long on platitudes but mercifully short on piety.

"I'm not bitter," he said. "Ken's not bitter. We're not like that. Except in our drinking habits."

The first Hague joke as leader? What a privilege to be present.

"Let's feel good about being Conservatives!" he cried, for all the world as though advertising the Woolwich, or a feminine deodorant.

"No bellyaching!" was Mr Hague's rallying call. He left to rafter-raising applause.

The bellyaching begins this weekend.

Hague wipes slate clean with call for unity and change

By Andrew Pierce, Political Correspondent

WILLIAM HAGUE pledged yesterday to revolutionise the organisation, tactics and image of the Conservative Party and to end the bitter disunity of the past five years.

In a rousing speech to MPs and peers at Conservative Central Office, he said that the party had to change. Mr Hague, who was flanked by John Major and Brian Mawhinney in a formal handover ceremony one hour after he was declared leader, said: "Be prepared for some changes in this party. The way we conduct ourselves in this party is going to change."

"We are going to change the way we do business. The days of disunity, factions, groups within groups, and parties within parties must come to an end. Our supporters in the country are sick and tired of the Conservative Party behaving as if it was a school debating society."

He reaffirmed his commitment to submit himself to an endorsement of the mass membership of the party at a special conference later this year. He said that the party could back him or sack him but without that support he could not embark on the great changes he was planning for the Conservative Party.

Mr Hague, who promised he would be tough on dissenters who aired their grievances in public, said that no party member would be immune

from his stricture on the need for loyalty. He drew a line under the leadership contest which exposed sharp differences among MPs and drew recriminations among some Hague supporters about the tactics of the Redwood camp.

He said: "I am determined that there will be no grudges. We all start from a clean slate. It is my responsibility to heal this party and bring people together. I am not a leader of any faction or any wing in the party. I am going to involve everyone and all parts of the party in my leadership."

Mr Hague, whose speech was punctuated by loud ap-

plause, drew laughter when he said that there would be a task for all Conservative MPs, even those who did not want one. There would be work to do for people who had opposed his leadership.

As John Major nodded enthusiastically, Mr Hague made no apologies for his tough line on a European single currency which provoked serious divisions with Kenneth Clarke, who sat in the front row of the packed conference room. He continued: "Once we have agreed a common position, that is going to be the end of the matter. We are going to speak with one voice. External division must end." He had a simple message for any critics in the party who would try to oppose him: "Just try me. I will not always be as friendly as I look. I will offend people. I will put noses out of joint."

He said that the general election campaign had shown that the Conservatives had been out-manned, out-gunned and left behind in party organisation. "I am calling for nothing short of a revolution in tactics, organisation, and image of the Conservative Party. We have to sweep away the cobwebs. We have to be fresh, clear and united."

There would be a fresh start but it would not mean that the Conservatives would abandon their principles. He repeated his pledge to double party membership from around 300,000 in two years.

Mr Major, whose leadership was warmly praised by Mr Hague, urged the party to unite behind his successor. He said that Mr Hague was the most outstanding young politician in the country.

In a thinly veiled attack on the Tory grandees who had criticised his leadership, he said that no one was immune from the need to be loyal to the leader. The need of the Conservative Party was to subordinate "those primitive instincts" whatever they were, to rally behind Mr Hague to ensure the Tories won the next general election.



William Hague's parents, Stella and Nigel, yesterday: "He'll be a good leader"

Election triumph marred by grandfather's illness

By Paul Wilkinson

WILLIAM HAGUE'S parents spent the evening of their son's election victory at his hospital bedside of his grandfather, Jack Jefferson, 95, the father of Stella, the new Tory leader's mother, was taken by ambulance from the family home less than an hour before the result of the ballot of Tory MPs was announced.

At the house in Greasbrough, south Yorkshire, Mr Hague's father Nigel admitted: "We were in turmoil. We were trying to find out what was wrong with my wife's father, trying to watch the result being declared on television and dealing with a house full of journalists. The

moment we had cleared them all out we were off to the hospital. We are not sure just what the problem is yet, but it will be sad news for William at a time when he should be celebrating."

Last night a spokesman for Rotherham District General Hospital said: "Mr Jefferson will be kept in for a few days for checks to be made. His condition is comfortable and he is in no immediate danger."

The Hagues are a close-knit family and Mr Jefferson, a retired farmer, lives near to his daughter's home. His wife Hilda was the one member of the family credited with any political interest before William came along, organising events for the local Conservative Association. William has Jefferson as his middle name. Last night Nigel Hague said he was very proud at his son's victory. "He will be a

good leader and hopefully a good Prime Minister one day. It was a good win, with a big majority. I don't think William believed it would be that big. We shall not be sending him any kind of congratulatory message, we don't go in for that kind of thing."

He said his wife Stella was pleased for her son, even though she had expressed concern that the leadership might have a bad effect on his private life. "I think she has come to terms with all that now," Mr Hague said.

In school holidays and university vacations Mr Hague worked with the delivery lorries of his family's soft drinks and wine firm Charles Hague Ltd, started by his great-grandfather. Mrs Hague said: "I think going out like that on the lorries meeting people helped him to get on. That and going to a comprehensive where all sorts of people gave him the common touch. He can get on with anybody."

THE TORY SO FAR

□ 1961: Born to Tory-voting Stella and Nigel Hague in Rotherham, South Yorkshire.
□ 1972: wins scholarship to board at Ripon Grammar School. Leaves after one unhappy term to attend Waltham-on-Avon comprehensive.
□ 1974: joins Young Conservatives and puts poster of Thatcher on bedroom wall.
□ 1977: addresses Tory conference, aged 16. Achieves A

grades in every O level except Greek (grade B).
□ 1979: goes to Magdalen, becoming President of the Union and taking a first in philosophy, politics and economics.
□ 1982: joins Shell UK.
□ 1987: fails to win seat in Wentworth.
□ 1989: wins Richmond.
□ 1995: becomes, at 34, Secretary of State for Wales.

RIDDELL ON POLITICS

WILLIAM HAGUE has won an unexpectedly clearcut victory. This is a much better outcome for the Tories than MPs feared earlier in the week. Mr Hague now has authority and freedom of manoeuvre from the start of his leadership, while both Kenneth Clarke and, particularly, John Redwood have been seriously damaged as their last-minute deal looked too cynical and backfired. Mr Redwood did not deliver his troops, and it was just too much for many on the Tory right — as well as some earlier Clarke supporters — to stomach.

Apart from Mr Redwood personally, the main losers from the campaign are the Tory pro-Europeans. This was their best opportunity to take the leadership and to limit the advance of the sceptics. But they have been roundly defeated. The sceptics have won.

Mr Hague was last night talking about "healing" and offering a senior post to Mr Clarke. But the former Chancellor immediately refused, claiming that he had much earlier decided that he would not serve on the frontbench if he was not leader. He will still be a formidable figure.

But his pro-European allies face a dilemma. Do they accept Mr Hague's opposition to Britain joining a single currency at the next election, that is for the next ten years, and his insistence on collective responsibility on this issue in the Shadow Cabinet? That may be too much for some to swallow, raising the prospect of a semi-independent pro-European group on the backbenches.

Mr Hague's first test will be to form a Shadow Cabinet. There is not exactly enormous competition. Of the last Major Cabinet of 21, just eight are available. Seven lost their seats, one retired and five have already announced they do not want to serve on the frontbench. This leaves Peter Lilley, Michael Howard, Gillian Shephard, Stephen Dorrell, Sir George Young, Brian Mawhinney and John Gummer of the former Cabinet.

So Mr Hague will have plenty of scope to promote

middle-ranking former ministers, including Michael Ancram, James Arbuthnot and David Davis, and ex-ministers who have just returned to the Commons like Francis Maude and John Maples. But with a parliamentary party of just 164, the new leader should use the opportunity to keep his shadow team at a sensible size — no more than 45 to 50 — and use some of the bright intake of new Tory MPs when necessary.

Mr Hague has a lot to do — first, in rebuilding the party's organisation and creating a national membership scheme, so he can meet his target of doubling the party's membership over the next two years. That is more of a priority than policy-making. There is no point in the Tories taking fixed positions now when the Blair Government has the initiative to reshape the political landscape.

Mr Hague knows how to enthuse the Tory faithful and he set the right tone last night in his rallying-cry at Conservative Central Office when he talked of a "clean slate" and an end to factions. He even got away with quoting Montgomery's appeal to his troops before El Alamein.

However, the Tories are not yet at their Alamein. They are still retreating across the desert. Mr Hague may now have the Field Marshal's baton, but that does not guarantee victory.

PETER RIDDELL



Peter Lilley: one of few Cabinet survivors

Brown inherits £7 bn 'black hole'

By Jill Sherman, Chief Political Correspondent

GORDON BROWN has uncovered a £7 billion "black hole" in public finances that he has inherited from his predecessor Kenneth Clarke, the Treasury said yesterday.

An independent report from the National Audit Office suggests that some of Mr Clarke's figures published in the Budget Red Book last November were over-optimistic, particularly the former Chancellor's "spend to save initiative" and its projections on privatisation receipts.

Treasury aides immediately hailed the report as evidence that the Tories were prepared to fiddle the books and do "dodges and deals" in order to prevent the country

with tax cuts. However, the NAO report will allow Mr Brown to argue for modest tax rises in the Budget or more stringent action on public spending in order to balance the Treasury books.

The NAO was asked to look at Labour's decision to change some of the key economic assumptions and conventions including growth, unemployment and privatisation receipts after the general election. The report endorsed most of Mr Brown's decisions, while suggesting that the present Chancellor has been over-cautious on his growth projections and unemployment predictions. Mr Brown has revised down-

wards the rate of economic growth to 2.25 per cent from Mr Clarke's forecast of 2.5 per cent. Mr Brown has also assumed level planning for unemployment, based on the present figure of 1.65 million, while Mr Clarke based his borrowing figures on declining unemployment.

If the Chancellor's assumptions prove over-optimistic Mr Brown may have a significantly smaller black hole on his hands. The Treasury said yesterday that it had revised upwards its underlying forecasts for the public sector borrowing requirement which would be published on Budget day, July 2. But it claimed that its best estimate

of the assumptions would be an extra £0.5 billion on the PSBR this year, an extra £3.25 billion in 1998-99, rising to an extra £7 billion in 2001-02.

Mr Brown welcomed the report, claiming that his assumptions showed a new honesty that would restore public trust in public finances. "This is the first time that any Chancellor has opened up the Treasury's forecasting assumptions to such an independent scrutiny. It means that the budget arithmetic will be based on financial conventions which are open, transparent and accountable."

Sir John Bourn, the Comptroller and Auditor General, said the new assumptions adopted by Mr Brown were "reasonable". But the report does not overtly criticise the former government. "While the assumptions adopted by the Chancellor are not the only ones which could be reconciled with the evidence in my opinion they have been arrived at systematically on the basis of the available data and by methods which interpret it in a reasonable way," Sir John said.

Mr Brown confirmed that he would ask the NAO to carry out a similar audit every year. "Together with the action we are taking against fraud, waste and mismanagement, this audit demonstrates our clear intention to put the public finances on the soundest long-term footing," he said.

Small drop in budgetary ocean

Economic Commentary by Anatole Kaletsky

THE adjustments suggested by the NAO report are extremely minor in the context of a total government budget, which calls for £319 bn in spending and £299 bn in taxes in the present financial year.

The NAO audit has resulted in an increase of £500 m to this year's projected Public Sector Borrowing Requirement. This is equivalent to just one-tenth of the £5 bn reduction in the projected PSBR caused by various other economic and fiscal changes since last November's Budget, according to the Green Budget forecasts

released two weeks ago by the Institute for Fiscal Studies. For future years, when the NAO endorses an increase of between £3 bn and £4 bn in the Treasury's PSBR forecasts, the Green Budget believes that changes in economic circumstances have created offsetting reductions in the PSBR of between £5 bn and £6 bn a year.

Thus, putting together the stronger economic performance seen since last November with the slightly more pessimistic assumptions endorsed by the NAO, the net

effect is practically nil.

While the NAO report has limited economic implications, it does represent a political embarrassment for Gordon Brown. When Mr Brown announced on May 20 that the National Audit Office would examine the assumptions behind the Treasury's Budget forecasts, the clear implication was that he expected serious aspersions to be cast on the plans laid out just before the election by Kenneth Clarke.

Economic View, page 29

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Umbrellas were the most important fashion accessory for Ladies' Day at Ascot and for those patiently waiting for a break in the clouds at Lord's. The wettest June since 1991 also threatens next week's tennis at Wimbledon

Rain fails to dampen Ladies' Day fashion stakes

By GRACE BRADBERRY and LIN JENKINS

WIND and rain failed to ruffle the feathers of racegoers at Ascot Ladies' Day yesterday as flamboyant hats proved more enduring under a sea of umbrellas than the summer sporting programme.

Play was washed out in the second Test against Australia at Lord's and the first week of Wimbledon looks likely to be interrupted by showers. The preliminary tennis events at Nottingham and Eastbourne were disrupted by the rain which is expected to continue over much of the country this afternoon.

The Queen refused to surrender to the downpour which hit Ascot after a night where a quarter of an inch of rain fell on the course and stoically rode in an open landau in the traditional procession down the course accompanied by five other members of the Royal Family and

friends. All waved from beneath their large black umbrellas, denying those in the record crowd of 77,543, including some who had taken bets with Irish bookmaker Paddy Power on the colour of the hat she would wear for the occasion, a glimpse of the outfits until they stepped out to walk to the Royal Enclosure.

The Queen wore a white straw with tangerine to match her white coat over a tangerine and white print. Queen Elizabeth the Queen Mother wore a characteristic ensemble of cornflower blue.

Rainfall for the month is already above the June average, bringing some respite for gardeners and water companies after the low falls of the spring, but not welcomed by farmers who have already begun haymaking.

At Lord's the spectators spent a



Susie Ireland wears a headress created by the Navaho tribe

frustrating day waiting for the clouds to clear as the wicket remained covered. At 4.54 pm play was abandoned without a ball being bowled, leaving spectators entitled to £650,000 in refunds. It

was only the fourth time that the first day's play had been lost in the history of Test cricket at Lord's — twice against Pakistan in 1954 and 1978 and the last time against Australia 19 years ago.

The London Weather Centre said June had so far been the wettest since 1991. "It is not really soaking, more a case of bad timing for the sporting events," said a spokesman. "Ascot has a high profile and had a lot of rain during racing, which does not go down well with people. It stopped when they went home."

"As for the Test we could have told them this morning there would be no play rather than the umpires popping out every hour to gaze at the sky. Things should be a bit better today and they should get some play in late morning and early afternoon before it rains again."

Unsettled conditions are likely to continue over the weekend with dry spells between the showers. "Monday will be wet, Tuesday looks OK on our charts, but Wednesday is unsettled again. It does not seem to be going to clear up. We have been

a bit spoilt in recent years, but rain in June is not really unexpected," he said.

Ascot attracted both the fashionable and the bizarre. Katy Hirst stood out with a three foot tall Eiffel Tower made from a child's puzzle in place of the designer hat she could not afford to buy. Miss Hirst, 20, an English student at the University of Nottingham, Trent, said: "It's actually a puzzle my sister gave me. I couldn't afford a hat so I thought I would wear this. I wanted something different, I didn't want to look like everyone else. It's just a laugh really."

Feathered millinery was the look for socialites attending the Royal Enclosure.

Viscountess Coke, a hat designer under her maiden name Polly Whately, wore a purple small topper with a single quill. "It's definitely the season's shape," she said. "Quills with the feathers

stripped off are also big." As the day wore on her choice proved not only chic but practical; the smaller the brim and the fewer the feathers the less damage the weather could do.

Even David Shilling, the flamboyant milliner, had streamlined his design for the day. His show-case hat for Ladies' Day had a high crown, narrow brim and a tall ostrich feather shooting upwards.

But this year it was worn not by his mother, Gertrude Shilling, who is ill, but by Florence Clardie, a florist from Barnet. "It's so much easier to manoeuvre with a narrow brim," she enthused, "and not so likely to get wet."

The most extraordinary hat of the day was an Indian squaw number created by the Navaho tribe, and worn by Susie Ireland. But even that flight of fantasy adhered to the day's theme — feathers.

World Cup wile that kept Jules Rimet still gleaming

By JOHN SHAW

ONE of football's best-kept secrets was revealed yesterday — how a copy of the World Cup was used after the original was stolen in the Sixties.

A gilded bronze replica of the gold original was passed off as the real thing for two years. The duplicate is now being sold at Sotheby's in London on July 11. It is expected to fetch £30,000.

The 13in Jules Rimet trophy, first won by Uruguay in 1930, was stolen while on show at Central Hall, Westminster, in March 1966. A few days later the thieves sent the top of the cup with a ransom note for £15,000.

Meanwhile, Denis Follows, then secretary of the Football Association, met George Bird, managing director of Alexander Clarke, a firm of city silversmiths, and commissioned an exact replica. Secrecy was paramount. Mr Bird made working drawings from eight photographs and was instructed to go ahead.

Selected staff worked at night and weekends. But work had not proceeded far when the firm was instructed to stop. The trophy had been found by a mongrel called Pickles in bushes outside his owner's home in south London.

Four months later Bobby Moore held the cup aloft after

England's win over Germany at Wembley on July 30. There was worldwide demand to see the trophy, kept in Clarke's strong-room in Fenchurch Street. It was brought out up to ten times a week, sometimes at the request of Buckingham Palace. Downing Street or a government department anxious to improve Britain's image abroad.

Security was becoming a concern and Mr Bird suggested to the FA that a replica be made in base metal for display while the gold original remained in store. The FA agreed but specified that the copy should be "indistinguishable from the original except by technical examination". On no account was the

news to be leaked. The duplicate was completed in 1968 and passed off at important functions as the genuine article, an illusion fostered by heavy security.

Brazil won the competition for the third time in 1970 and was entitled to keep the gold version permanently. But it was then stolen for a second time, never to be seen again. Police believe it was melted down for bullion. A new trophy was introduced in 1974.

Meanwhile the replica, the only exact copy, was returned to the jewellers without its existence becoming public. The firm passed it to Mr Bird, whose family is now selling it at auction.



Bobby Moore with the real trophy, and the replica



Wife 'heard blackmail threat on telephone'

By A STAFF REPORTER

A MILLIONAIRE'S wife wept in court yesterday after she described how she discovered that her husband was allegedly being blackmailed by his former mistress. Mrs X said she had picked up the telephone extension in her house and heard her husband speaking to the woman.

"She sounded rather annoyed. She said: 'Where is my 900 quid?' When he replied that he had not got it, she said: 'I do not care. I need it. Get it.' When he told her there is no more money she said: 'Would you like me to come and beat down your door?' My husband's voice sounded exhausted and distressed."

Mrs X said that when she questioned her husband about the call he told her he had been a mad woman he had done business with. "It sort of sounded about right," she said. But she had a suspicion over bank statements that had not been delivered for some time. When she later discovered a £3,500 overdraft "it was a shock" and she insisted on an explanation. Her husband broke down and told her he was being blackmailed.

Beverly Jackson, 39, from St John's Wood, north London, denies six charges of blackmail totalling £42,900. The trial continues.

Fatal urge mistaken for adolescence

By RICHARD DUCE

A PARANOID schizophrenic murdered his father after 20 doctors dismissed his violent delusions as troubled adolescence, an inquiry report revealed yesterday.

Peter Winsip marked his twentieth birthday last July by stabbing his father 100 times, breaking the blades of three knives in the process and battering him about the head 20 times with a hammer. He has since been detained indefinitely.

However, all the medical experts involved over four years in the treatment of Winsip were exonerated by the independent report into the death of his father Anthony, 52. Hugh Chapman, the solicitor who chaired the inquiry for the Nottingham Health Authority, said that

the case served as an example of the difficulties involved in diagnosing paranoid schizophrenia. The problem was well highlighted by the fictional character Joe Wicks in the television soap *EastEnders*.

"Joe accurately portrays the difficulties you have in differentiating between a schizophrenic and someone suffering badly as a young man going through a troublesome adolescence," he said. "Mr Winsip's killing of his father could not reasonably have been predicted or prevented."

Last night the Winsip family refused to comment on the inquiry findings, but they were critical of the health authority after the original court sentence.

Winsip came from a broken home and

often suffered violence at the hands of his father, but went on to well at school where he gained seven GCSEs. He first complained of his problems at 15, when he told his GP that he was depressed and had started taking large amounts of paracetamol and alcohol. Over the next four years, he was in and out of hospital and referred to more than 20 doctors and psychiatrists. He threatened suicide and 20 months before the fatal stabbing claimed he was hearing voices telling him to kill his father.

Dr David Kingdom, medical director for Nottingham Health Care Trust, said: "We did not consider these to be threats against the relative in this case. It was felt to be negative thoughts in the patient's mind — a common clinical situation."

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Straw backs down on pledge to end private prisons

By Richard Ford, Home Correspondent

THE Government unveiled plans for two new private run jails yesterday, abandoning its pre-election pledge to end the privatisation of the Prison Service.

The Prison Service disclosed that it again faces a mounting population crisis, with the number of offenders being sent to jail running ahead of published estimates. By the end of next year the prison population is set to reach 65,000 — 2,000 ahead of published figures. Yesterday there were 61,250 prisoners in the 135 jails in England and Wales, which have an absolute capacity of 62,000.

Richard Tilt, Director General of the Prison Service, said that to operate the system properly there needed to be a gap of 1,000 spaces. "We are absolutely at the margins and finding it difficult to cope on a day-to-day basis." Although the service has avoided using police cells, 10,500 prisoners are doubled up in cells for one offender.

Jack Straw, the Home Secretary, announced the reversal of Labour's policy when he said private firms such as Group 4, Securicor, and Premier Prisons were to be asked to compete to design, construct, and manage the 800-cell Aggrofit jail at Salford, near Manchester, and a 400-place young offender institu-

tion at Pucklechurch, near Bristol.

He told MPs in a written Commons answer that the contract for the privately run Blakenhurst prison near Redditch, Hereford and Worcester, would be renewed for a further three years. Mr Straw said: "On the letting of new contracts and the renewal of existing contracts, our immediate approach is necessarily determined by current expenditure plans, to which we are committed, and by operational requirements."

He said the Government had inherited a prison population rising sharply and there was an urgent operational requirement to overcome projected shortfall in accommodation and to avoid dangerous



Straw: he will invite private firms to tender

levels of overcrowding and the use of police cells. The decision to renew the Blakenhurst contract and to allow two more private prisons to be built was given to the Prison Governors' Association and the Prison Officers' Association at a meeting.

Both groups believed they had a binding pledge from Labour that no new private prisons would be built and that when existing contracts ended private jails would be returned to the public sector.

In April Mr Straw said in *Dateline*, the magazine of the 27,000-strong Prison Officers' Association: "I should like to take this opportunity to stress my fundamental objection to prisons run by the private sector. This is surely one area where there is no free market. We cannot break contracts which already exist. But we shall certainly make no new ones and, within the existing budget, shall take back into the public sector private prisons as soon as contractually possible."

Mr Straw has ordered the Prison Service to conduct a study to see whether private cash could be used to design, build and maintain prisons while the public sector runs them. Mr Tilt said Mr Straw had reaffirmed his commitment that imprisonment should be in the public sector.



Four of the falcons before their return to Majorca yesterday. They will be assessed before any return to the wild

Rare falcons return to island home

RARE falcons hatched from eggs that were stolen from nests in Majorca by international smugglers spent their last day in Britain yesterday before being returned to the Mediterranean island.

Paul Noble, 33, of Sandy, Bedfordshire, who stole the eggs in 1994 and 1995, and smuggled them to Britain, was jailed for eight months after an investigation by the Royal Society for the Protection of Birds and Bedfordshire police. He was found guilty of smuggling and the illegal sale of falcons.

Yesterday, the six Eleonora's Falcons

were flown back to Majorca, where wildlife officers will decide if they are fit to be returned to the wild. Inspector Philip Cannings, who led the investigation into the birds' recovery, said: "This has been a long investigation and to actually see the birds going back to their rightful homes is in many ways the most satisfying part of the case. There is an illegal trade in these birds and they can fetch more than £1,000 each."

The falcons, of which there are an estimated 4,500 breeding pairs in the wild, are named after Eleonora of

Arborea (c.1350-1404), a ruler and national heroine of Sardinia who gave special protection to hawks and falcons. Dog walkers are being advised to wear Wellington boots when walking their animals and to carry antihistamine tablets for their pets after four dogs were bitten by adders in the dunes at Brampton Burrows, a Devon beauty spot, since the snakes came out of hibernation in March. The tablets are not a cure for the venom but can slow the effects of the poison giving time for treatment to be obtained.

NEWS IN BRIEF

Boxing promoter held in VAT raid

Frank Warren, the boxing promoter, was being questioned yesterday by Customs officers investigating an alleged VAT fraud. During a number of raids, Customs officers went to the offices of Sports Network, in Hertford, where Mr Warren works as a consultant.

A Customs spokesman said he could not comment on details of the investigation or the extent of the alleged fraud. "Three premises in Essex and Hertfordshire were searched. Under the authority of search warrants, a quantity of documents were removed. Two men have been arrested and are being questioned in central London by customs investigators."

Killer detained

A double killer who threw one man off a sixth-floor balcony and beat another to death was ordered to be detained indefinitely in a mental hospital, Robert Jeffrey, 43, from south London, was ruled unfit to plead because of a paranoid psychosis.

Producer dies

Julia Smith, the BBC producer who co-founded the soap opera *EastEnders* with Tony Holland in 1985, has died. Ms Smith, who has in her late sixties, also produced the ill-fated BBC1 soap *Eldorado* from 1991 to 1994.

Obituary, page 23

Party divided

Edinburgh's giant Hogmanay street party is to be halved in size and made an all-ticket affair in the interest of public safety. Last year more than 300,000 people attended the world's largest outdoor celebration, in which 580 were hurt, 35 with crush injuries.

Cocaine find

A British mother and her son, a minor, were arrested at Orly airport in Paris after 19 kilograms of cocaine was found in their luggage. The unnamed Britons were held on Monday on arrival from French Guiana. The drug was taped into their suitcase.

Gallipoli VC sold

The first Victoria Cross awarded posthumously by the Royal Navy has fetched £52,900 at auction. The medal was awarded to Petty Officer Billy Williams, of Chepstow, who died aged 35 at Gallipoli in 1915. It was bought on behalf of a private collector.

City swingers

Work has begun on the world's first national museum devoted to popular music. Members of the groups Babybird, Heaven 17 and ABC, all from Sheffield, helped to launch the £15-million National Centre for Popular Music in the city.

Wedding sunk

An underwater wedding has been called off "with deep regret" after the bride and groom had cold feet about each other. Robert Scotland, 30, and Morag Shaw, 30, were to marry on Saturday at the Deep-Sea World aquarium in North Queensferry, Fife.

Aitken's lawyers check new claims over Ritz stay

By Michael Horsnell

JONATHAN AITKEN'S libel hearing was adjourned yesterday so that lawyers for the former Cabinet Minister could investigate new evidence against him. Mr Aitken is to face an application to recall him to the witness box for further cross-examination.

The court was told that lawyers for the defendants, *The Guardian* and Granada TV, had received a witness statement from a British Airways employee, Wendy Harris, relating to travel arrangements for Mr Aitken's family weekend at the Ritz hotel in Paris in September, 1993.

Mr Aitken is suing over claims that his hotel bill was paid by wealthy Arabs while he was a minister. He was absent from the court on the twelfth day of the action.

Mr Justice Popplewell, who is hearing the case without a jury, said it was important that his counsel, Charles Gray, QC, should have the opportunity to investigate "potentially very important" documents produced by the defence. Upon the completion of inquiries, said the judge, the former Minister of State for Defence Procurement and Chief Secretary to the Treasury should return to court.

George Carman, QC, counsel for *The Guardian* and Granada, had said that in addition to the statement there were further documents relat-

ing to car hire in Switzerland. He said he would be applying to recall the former MP to the witness box, where he concluded eight days of evidence on Monday, and to call Miss Harris.

After a 40-minute delay in proceedings for a private consultation with the judge, Mr Gray said that the documents required further investigation. Mr Justice Popplewell said it was impossible to determine the time needed, but he would adjourn until 10am today.

Mr Aitken resigned from the Government in July 1995 to launch his libel action. He denies allegations that he was financially dependent on wealthy Arabs, that he supplied them prostitutes, and that he was involved in secret arms deals. He has rejected claims that he allowed Said Ayas, an Arab business associate to pay his bill at the Ritz, insisting that his wife, Lolicia, paid in cash after travelling from Switzerland to Paris to join him.

Mr Aitken also denies lying to John Major and Cabinet Secretary, Sir Robin Butler, about the purpose of the weekend which the defence claims was for a clandestine business meeting with Saudi Arabian associates. He told the court that it was a purely family weekend in Paris en route for Geneva to settle his teenage daughter, Victoria, into a new school.

Robot wanders desert on dry run for the Moon

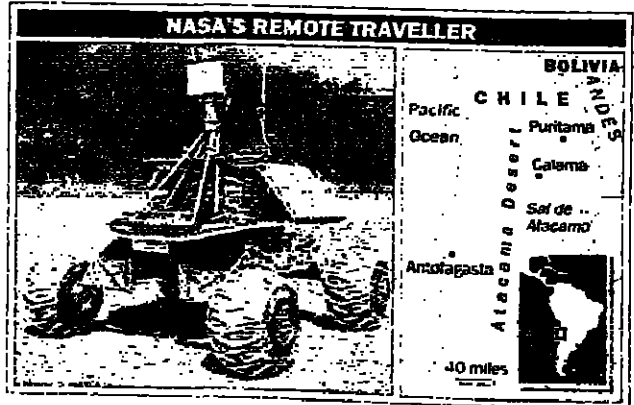
By Nigel Hawkes
SCIENCE EDITOR

A ROBOT has begun a 40-day exploration of the Atacama Desert in Chile in a dry run for missions to Mars or the Moon.

Controlled by operators 5,000 miles away in Pittsburgh, Nomad is expected to wander more than 125 miles across the surface of one of the world's most inhospitable regions before the operation finishes at the end of next month.

Powered by solar energy and fitted with two cameras with panoramic vision, Nomad was built by Carnegie Mellon University under a contract from Nasa. William "Red" Whittaker, its designer, said: "Nomad will wander the desert for 40 days, if not quite 40 nights."

The four-wheeled robot is equipped with sensors and metal detectors to search for rocks or meteorites. It has a mind of its own: if the controllers order it to drive directly at an obstacle, it will override the instruction. It can also select the best route to a goal set by the controllers. If No-



mad meets rugged terrain, it has the ability to expand, increasing its wheelbase to reduce the risk of tipping over. The cameras will send back 360-degree pictures of the landscape around the robot, which is barren in the extreme. There is no vegetation, it rains once every century, and the temperature ranges between freezing and 25°C every day. The test will include simulating missions that robots might perform on Mars or the Moon. Dave Lavery, a Nasa robot expert, said: "However, the robot's first practical task is on Earth. Nomad's successor is to explore the Antarctic for meteorites similar to ones already found by human explorers and believed to contain evidence of life on Mars. Nomad is more sophisticated than Nasa's Sojourner, which is due to land on Mars on July 4. That robot is expected to move only a few metres a day and send back a single black-and-white photo a day. Nomad can cover up to three miles a day, at speeds of about 1ft per second, while sending continuous real-time video footage."

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Boxing promoter held in VAT raid

Killer detained

Producer dies

Party divided

Coroner's find

Full police

Car swiped

Wedding

desert of the Moon

Protest outside shop accused of stocking video Muslims riot over Indian film's 'insult' to Koran

By PAUL WILKINSON
AND RUTH GLEDHILL

A NEW film about the border war between India and Pakistan in 1971 has provoked violence between the Indian and Pakistani communities in Leeds. A video shop owned by a Sikh was attacked by young Muslims of Pakistani origin who believed it was hiring out the film, called *Border*.

Up to 300 boys and young men hurled stones and bottles at police in the hour-long confrontation on Wednesday night. Four police officers were slightly injured, but there was no serious damage. Five people were arrested, three of them juveniles.

Some Muslim leaders later accused the police, who were in riot equipment, of using heavy-handed tactics to disperse the crowd in the Harehills area.

The film's prejudice against Pakistan alarmed Indian film critics when it was previewed in Delhi. Muslims have been particularly enraged by a



Krishna said he had not stocked the film

scene in which the Koran is damaged.

Last night Muslims were warned against a repeat of the unrest caused by Salman Rushdie's book *The Satanic Verses*. Sheikh Gamal Soliman, a lecturer at the Muslim College in London, said:

"Tearing the Koran or throwing it away is very upsetting and it can cause rioting. I hope the leaders of the Muslim community will control things

and calm the situation down. What happened in Salman Rushdie's case is enough to leave bitter memories."

Ahmed Versi, editor of *Muslim News*, said some people believed that the film demonised Muslims. He said, however, that a lot of the films made in "Bollywood", the thriving Bombay-based film industry, were anti-Muslim and anti-Pakistan.

Yesterday the owner of the video shop said that, before the riot, there had been threats to kill him and to set his shop on fire if he stocked the film. Kewal Krishna, 37, who lives above the shop, said: "A vicious rumour seems to have gone round that I stocked it. I have not even got it on order."

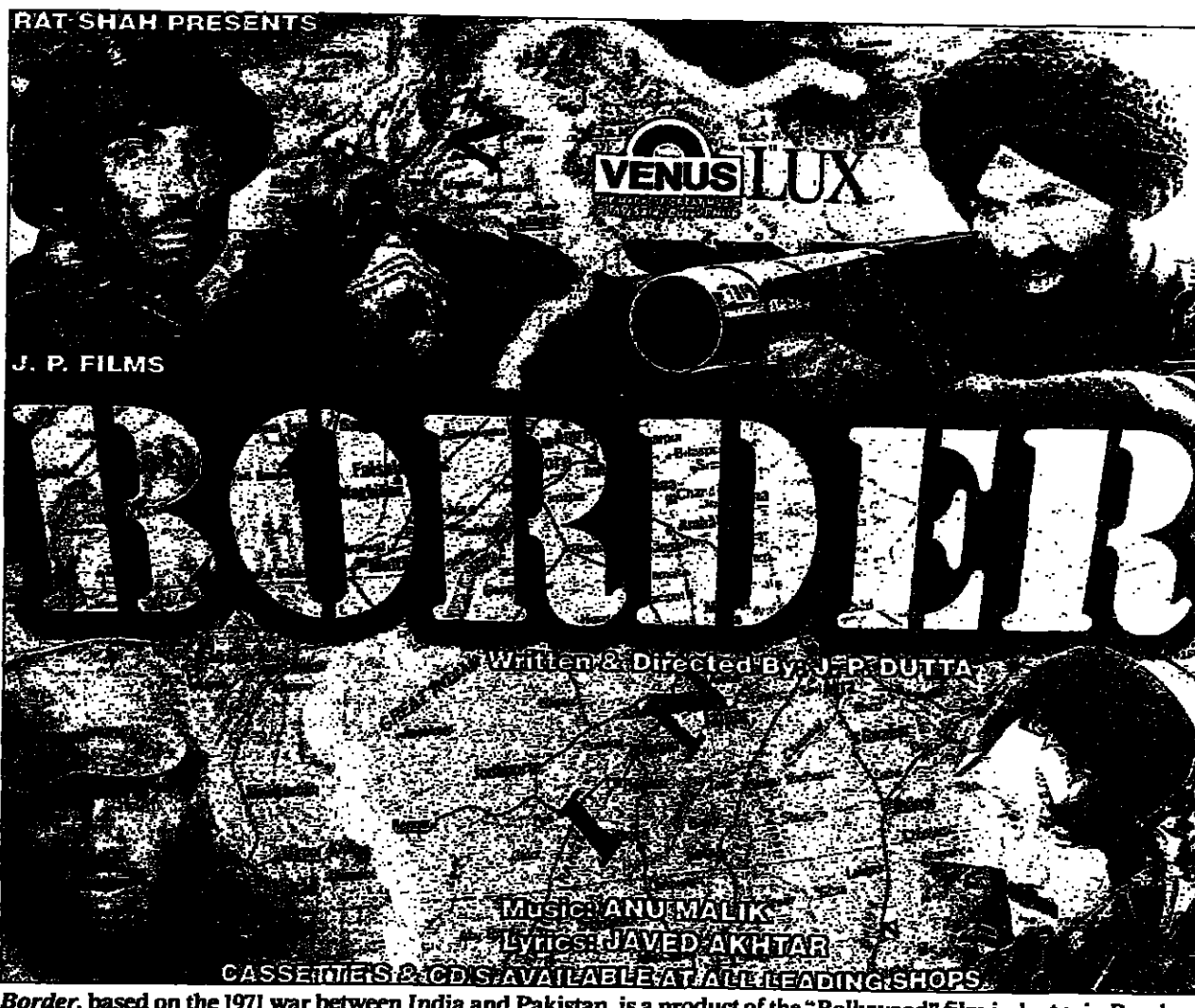
He was, however, selling copies of the soundtrack for £2. A neighbouring Muslim shopkeeper said: "It was peaceful protest which turned nasty when the police dragged five lads into the back of their van. The rest of the crowd refused to leave until they were released. The same

would have happened in rural parts of England if they saw a film showing the same thing happening to the Bible."

Javed Akhtar, a city councillor, blamed much of the anger on the lack of opportunities for young Asian men. "If there had been fewer police and not so much heavy-handedness then the situation could have been a lot better. I do not think the film is important. It is a red herring. The youths were frustrated and looking for some sort of attention."

Superintendent Frank Farmer, of Chapeltown police, said: "There was no heavy-handed policing. A lot of people have approached us about the video, but we are still trying to establish the facts."

Border was released in Britain last week. Eros International, the distributor, said it was doing "extremely well". A fire at the Delhi cinema showing the film last week killed 57 people and injured 100. It was caused by an electrical fault.



Border, based on the 1971 war between India and Pakistan, is a product of the "Bollywood" film industry in Bombay

Girls are expelled for hate campaign

By SHIRLEY ENGLISH

TWO 15-year-old girls have been expelled from school for restarting a hate campaign against a female teacher.

Sandra Reid, 29, who teaches history at Dingwall Academy, Ross-shire, where her husband Brian is head of science, was the target of anonymous hate mail and death threats which were daubed on school walls five months ago.

In the latest incident, two abusive notes about the couple were left outside Mr Reid's science laboratory. The two girls involved were traced by their handwriting, confessed and were expelled.

The pair, who have not been named, were part of a gang of eight girls, aged between 12 and 15, temporarily excluded from the school in January for their part in the first harassment campaign.

The gang returned to the 1,180-pupil school in February after appearing before the Children's Panel, signing a contract of good behaviour and sending letters of apology to Mrs Reid. Highland Council must now find alternative schools for the two teenagers, who are at home after being expelled last Friday. Home tuition costs £1,700 a week.

Council must pay for tree damage

By A STAFF REPORTER

A COUPLE whose house was badly damaged by subsidence caused by the roots of a council-owned oak tree had a compensation award of almost £80,000 confirmed by the Appeal Court yesterday.

The ruling means that councils will be liable for any damage to property caused by the roots of trees on their land.

Lord Justice Schiemann upheld the decision of Southampton County Court last year in awarding Steven and Jane Hurst £78,823. Their semi-detached house in Fareham suffered subsidence during the dry summer of 1989 when the 170-year-old tree, about 35ft away on a nearby verge, extracted moisture from the soil. Hampshire County Council was held to be responsible.

The judge ruled the council had a duty to ensure that the roots did not damage the Hursts' property. He said there was ample evidence that the subsidence was foreseeable. "The tree was an oak, a species that notoriously has a high water demand," he said. "The tree and the house were on clay, which is highly shrinkable. The geological survey clearly showed the nature of the soil."

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Expensive success for hamburger chain as judge upholds aspects of defendants' claims

MARKETING AND CHILDREN

The judge upheld a claim that McDonald's advertising and marketing made "considerable use of susceptible young children to bring in custom". McDonald's admits that much of its marketing appeals specifically to children. "It is important to us that a visit to McDonald's is an enjoyable experience for all the family," a spokesman said.

All McDonald's community involvement revolves around children, child welfare, education, youth-related social issues and the environment. The first Ronald McDonald House opened in 1974. These are built next to

hospitals and provide accommodation for families of seriously ill children. There are three in Britain and 166 worldwide. The Ronald McDonald clown, which appears at restaurants, playschemes and children's wards, is featured in advertising and packaging. There are also heavily promoted Happy Meals that contain plastic toys linked to Disney films.

Paul Preston, chairman of McDonald's Restaurants (UK) Ltd, said: "We comply with all legislation, all regulatory agencies and advertising practices. The judge has already said that we did not set out to deceive."

PAYMENT OF WORKERS

In his ruling the judge agreed with campaigners that McDonald's workers were underpaid. He said that the company "does pay its workers low wages, thereby helping to depress wages for workers in the catering trade in Britain". Starting salary for restaurant workers is £3 an hour, with an average of £3.55 an hour. This is well below the minimum wage of £4.42 being proposed by Unison, Britain's biggest union.

Management trainees start on £14,000. Qualified managers earn £18,000 to £29,000. General managers of larger restaurants earn £20,000 to £40,000. Area supervisors earn £22,000

to £40,000. Operations consultants earn £27,000 to £46,000. Operations managers get £35,000 to £57,000. A McDonald's spokesman said: "We set competitive rates throughout the world to attract quality staff."

Asked whether she felt exploited by the company, a female worker at a branch in Plovidly had to have the term explained to her. She then said: "I think McDonald's is getting the better of the exchange."

Paul Preston, of McDonald's, said: "I am already on the record as saying I'm in favour of a minimum wage for the UK. I support that for sure."

TREATMENT OF ANIMALS

The judge said it was "true in substance and in fact" to say that McDonald's "is culpably responsible for cruel practices in the rearing and slaughter of some of the animals used to produce its food".

Mr Justice Bell said these included keeping laying hens in battery cages, severe restrictions on the movement of broiler chickens and pigs, and slaughter methods that allowed some chickens to have their throats cut while conscious.

Paul Preston, of McDonald's, said he was "puzzled" by the judge's comments: "Our standards exceed the

minimum legal requirements. If those legal requirements need to be adjusted that is really a matter for the Government and agriculture."

Laying hens can be kept five to a cage each in a space no bigger than a A4 sheet of paper. It is recommended that the stocking density of broilers kept indoors should not exceed 16 birds per square metre. Narrow stalls for sows are being phased out, but will not become illegal until 1999. Chickens are supposed to be rendered unconscious before having their throats cut, although this does not always work.

TONY WHITE

Victory is ours, say McDonald's libel case losers

REPORTS BY FRANCES GIBB
LEGAL CORRESPONDENT

JUDGMENT

THE environmental activists who fought the McDonald's libel action over seven years claimed yesterday's ruling as a victory and staged an immediate act of defiance.

Helen Steel and Dave Morris gave leaflets summarising their allegations against McDonald's to crowds outside the law courts, shouting: "Judge for yourselves, read the leaflets. We will not be silenced."

The six-page leaflet that prompted the case, called *What's Wrong with McDonald's?*, was part of a campaign run by London Greenpeace, which has no connection with Greenpeace International.

McDonald's hoped that a ruling in its favour from the High Court in London would serve as a deterrent to the worldwide protest campaign and as a vindication of their procedures and practices.

Yesterday Paul Preston, chairman and chief executive of McDonald's Restaurants Ltd (UK), said: "This judgment represents a thorough audit of our business. Based on the overwhelming evidence given in support of our case, we believe that our employees and customers will be reassured by the judgment."

At a press conference for McDonald's opponents, Michael Mansfield, QC, the leading left-wing lawyer, drew cheers when he said: "This clearly represents a major victory for these two individuals. We owe a debt of gratitude to these two young people who have dared to tread where others have not dared to tread. The issues touch every part of our working lives."

The writs were issued seven years ago. The climax of the legal proceedings lasted just two hours yesterday when Mr Justice Bell read out a 45-page summary of his judgment.

He found it was not true that McDonald's was responsible for destroying rainforests with lethal poisons to provide cattle grazing and timber for

packaging, thus helping to wreck the planet.

Nor was there evidence that McDonald's had bought vast tracts of land in Costa Rica, Guatemala or Brazil or that small farmers and tribal peoples had been displaced.

Mr Justice Bell said there was some evidence that McDonald's publicity in 1990 was misleading about the recycled content of some of its packaging in Britain but this did not justify the charge of lying.

On the health aspect of McDonald's food, he said the leaflet said it was high in fat, sugar, animal products and salt and low in fibre, vitamins and minerals. But the risk of heart disease, he said, was only true in relation to customers who are there several times a week over a period of years. The risk of bowel cancer might be increased to some extent

but there was no evidence in relation to breast cancer.

He said that some of McDonald's promotional claims that the food had a positive nutritional benefit "did not match" the reality of a product that was high in saturated fat and salt.

The judge upheld the activists' claim that McDonald's advertising and marketing "makes considerable use of susceptible young children to bring in custom, both their own and that of their parents who must accompany them". But the complaint that McDonald's promoted the consumption of its meals as a fun event, knowing full well that the contents could poison the children, was not justified.

The protesters had also shown that hens, broiler chickens and some pigs were treated cruelly by being given little room to move at least for some part of their lives. He said McDonald's was also "culpably responsible" for the "cruel practice" under which a small proportion of the millions of chickens slaughtered were still fully conscious when their throats were slit.

The risk of food poisoning from eating McDonald's products was minimal, he said, and the allegation that customers were exposed to residues of antibiotic drugs, growth promoting hormones and pesticides was not true.

The judge said there was evidence that McDonald's paid low wages, thereby helping to depress wages in the catering trade in Britain. But it was not true that the company was only interested in recruiting cheap labour and that it exploited disadvantaged groups, particularly women and black people.

The judge said McDonald's was entitled to compensation for damage to its trading reputation and goodwill and to vindicate its good name. He said that in awarding damages, the financial means of the defendants were irrelevant and he did not know whether the burger chain would seek to enforce the judgment.

TRIAL FACTS



□ Trial from June 1994 to November 1996 lasted 313 days, longest in English legal history.

□ Evidence given by 180 witnesses, and 40,000 documents were produced. Summing-up took eight weeks.

□ More than 2 million leaflets summarising the original allegations handed out since the trial began. Internet site McSpotlight accessed almost 12 million times since its launch in February 1996.

□ Estimated trial costs of £10 million would buy 5,434,782 Big Macs.



Dave Morris and Helen Steel renewing their protest against McDonald's outside the High Court after the judge's ruling yesterday

Case highlights need for legal shake-up, say experts

THE LAW

CALLS for changes to the libel laws came after the verdict to prevent multinational corporations who can afford top lawyers suing penniless defendants. The case will also fuel debate over whether legal aid should be available for libel actions.

Helen Steel and Dave Morris, with a joint income of less than £7,500, were up against the worldwide McDonald's corporation with total sales of 30 billion dollars.

The pair acted for themselves, while McDonald's briefed one of the best libel silks in the field, Richard Rampton, QC, and a team from the City law firm Barlow Lyde & Gilbert.

Mark Stephens, a media law expert from Stephens Innocent, said: "The sea change we need is to stop large corporations, as matter of principle, suing for libel. They

don't have personal reputations as individuals do and if they conduct themselves in a way which is open to criticism from time to time, then they should accept that such criticisms can be made."

Local authorities and public bodies are not allowed to sue for libel, he said. To extend the law to large corporations would be a logical extension of a recent ruling which said British Coal could not sue.

Mr Stephens also called for legal aid for libel. "If this had been available, the trial would have been over in three months and saved millions of pounds." It would have been cheaper for McDonald's to have paid for lawyers for the defendants, he said.

The fact that the Ms Steel and Mr Morris, were forced to

defend themselves was one of the main reasons for the length of the trial, at a daily cost of nearly £8,000 a day in legal fees, with the judge's deliberations taking six months.

A second factor was the nature of the allegations, spanning every aspect of the McDonald's corporation. Mr Morris said: "This case brought home to us how unfair, how oppressive, the libel laws are."

Some lawyers were also critical of Mr Justice Bell, handling his first big libel trial, for not exerting more control over the pace of the litigation or defining the issues. Such actions should be heard by specialist judges, Others said that there would have been a need for despatch had there been a jury, which the judge ruled out because of the complexity of the case.

No regrets, say the campaigners

DEFENDANTS

DAVE MORRIS and Helen Steel cannot remember handing out the fateful leaflet in 1986. They were more involved in other campaigns: Morris against the poll tax, Steel on the IMF and World Bank.

But they were both active members of an anti-McDonald's campaign. Their defence took over their lives, bringing unprecedented stress, but they do not regret it. Ms Steel said: "If I had known how long it was going to last — over seven years from the writs — how much work was involved, how daunting it was going to be, I would have fought it anyway. It's important to stand up for what you believe in."

They were shocked when writs were issued on September 20, 1990. Solicitors told them there was no legal aid for libel. Three protesters who also received writs went to court and apologised. Ms Steel and Mr Morris chose to fight.

Often it meant work around the clock. Mr Morris, a postman and lone parent on income support, was trying to look after his son, Charlie, now eight. Ms Steel, a former gardener, was trying to move from Yorkshire to Tottenham, where Mr Morris lived. He said: "I could work on the case only after my son had gone to sleep. For the first

year, I was up until four in the morning." Ms Steel developed skin ailments after "phenomenal stress".

The worst moment, they said, was when all the witness statements had to be served in three weeks. Ms Steel almost gave up: "This came after a stream of 28 legal hearings. Dave persuaded me to hang on in there." They blitzed their supporters and friends and succeeded in mustering the 65 statements. From that moment, McDonald's knew they were in earnest. "They were stunned," she said.

The trial became a way of life. The daily Tube journey to the Royal Courts of Justice became an office on the move, where they studied the latest faxes or documents. The McLibel Support Campaign raised £35,000 while McDonald's paid a legal team up to £8,000 a day. Mr Justice Bell allowed Mr Morris to use his chambers when Charlie had to be brought to court and adjourned the trial to accommodate half-terms.

Mr Morris said the experience was "empowering" and added: "Just as McDonald's are a symbol of the economic system, we have become the symbol of the alternative ideas. That gave us a lot of strength."

Internet delivers an instant worldwide verdict

By GUY WALTERS

WEB SITES



A McSpotlight portrait of Ronald McDonald

AS Mr Justice Bell gave his ruling on the McLibel case yesterday, activists began to deliver their verdict on the Internet. The World Wide Web is a haven for those who want to see the golden arches torn down, and the hearing produced much criticism of McDonald's on screen.

Some of the Web sites are risqué and amateurish. The most organised is McSpotlight, produced in north London by the McInformation Network. It has run the full text of the

court proceedings and has a "debating room", where critics discuss all matters relating to McDonald's.

Typical of the e-mails sent yesterday was one from a Mark Williams: "The poor little average citizen," he wrote, "can eat at McDonald's but not have a valid opinion about whether it is a good idea." Other messages offered support to the defendants and many complained about the length of the trial. Last year Dave Morris contrib-

uted, with a message that ended: "Together, people are more powerful than chequebooks and lawbooks."

The McInformation Network estimated that the site had been accessed at least 12 million times. It claims that McDonald's accessed the site 1,700 times in the first week after its launch. The group believes that only the threat of more negative publicity has stopped McDonald's from attempting to close the site down. Tim Hardy, a media lawyer with Cameron McKenna, said: "McDonald's could consider suing the Internet service providers but the legal

hurdles are immense. It would be a new area of law and take a lot of expensive litigation."

Yesterday members of the McInformation Network were busy entering the text of Mr Justice Bell's summarised verdict. "We are also going to enter the full 800-page verdict," Devin Howse, a member, said. "We hope to have a statement from Dave Morris and Helen Steel."

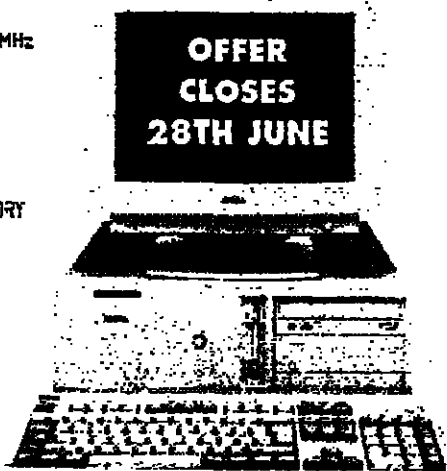
McDonald's own website made no reference to the trial yesterday. Instead, it offered a special deal on a breakfast sandwich.

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JERSEY.

Builders and designers breathe a sigh of relief as Millennium Exhibition work is cleared to continue

Dome chiefs baffled by Blair's five demands

By DOMINIC KENNEDY
AND DANIEL MCGRORY

THE builders, managers and designers who are creating the millennium dome in Greenwich were baffled last night by the five new demands sprung on them by Tony Blair.

None of them knew what the Prime Minister's action plan meant in practice but all were prepared, for now, to continue their timetable as planned, grateful at least to get the Government's long-awaited approval.

Downing Street announced that five rough new tests would be applied to relaunch the controversial £750 million scheme as Mr Blair tried to distance himself from the unpopular and vague blueprints so far produced.

The Prime Minister donned wellingtons and a hard hat to inspect the acres of mud at Greenwich, where a giant pile-driver will begin work on the foundations of the enormous PVC dome on Monday. Mr Blair asked: "Are we in Britain going to give people a derelict site, or the finest exhibition that the world has seen? In the year 2000, as the country that is the home of time, here on the millennium at the meridian line, we ought to be making a statement to the world about Britain."

"These plans require a leap of faith. It is not the easy thing to do. It is the bold thing to do. It could be, if we get it right, and we mean to get it right, the most exciting thing happening in the world in the year 2000." Mr Blair said he would present new plans next week. His first demand is that the exhibition be permanent rather than have to be pulled down within a couple of years. The architect of the dome, Richard Rogers, said that there would be no need to go back to the drawing board to meet that condition.

Millennium Central, which



Tony Blair during his visit yesterday to the exhibition centre site in Greenwich. Builders are expected to begin work on foundations for the giant transparent dome on Monday



will operate the show, said that the PVC fabric which will cover the transparent dome was designed to last for 15 years, after which it could be replaced at low expense. The steel frame is much more durable.

A spokesman for the organisation added: "It is up to the developer who takes over the site to decide whether they want to keep that sort of roof. But it would not be prohibi-

tively expensive to replace it with a similar roof."

Possible future uses include a stadium for a London Olympic bid (Wembley will be only 35 minutes from Greenwich on the new Jubilee Tube line), a theme park run by Tussauds, or a British version of Hollywood's Universal Studios tour.

Mr Blair's second test is that there should be no burden on the public purse beyond the

present budget, which includes £175 million business sponsorship and the same sum from sales of the "time tickets", which will be watches.

His third demand is for the content of the exhibition to be made more exciting. "The dome is merely the covering," Mr Blair said. "What is important is what goes inside it and how we build a legacy for the future so it is not just

something that will be here for a year and disappear."

Fourthly, the project must relate to the whole nation. Imagination, the London design company that came up with the original ideas, was unable to shed any light on what that meant. Its original plan was chosen because it was preceded by a programme of nationwide events in the two years before 2000. Finally, Mr Blair insists,

there must be a new management structure with an influx of people who can provide ideas and a creative force. Yesterday the Millennium Commission, which decided to hold the show using £400 million of lottery players' money, was still awaiting official notification of Mr Blair's five tests and unable to offer any clarification. Millennium Central was in the same position.

Richard Branson, chairman

of the Virgin group, who has been a leading opponent of the dome, said: "This Government inherited a problem and has at least got the imagination to look for a solution. Keeping the structure in place indefinitely would deal with our principal concern. Now perhaps the structure could be built in such a way so as it could be converted into a giant sports and conference facility to enable Britain to stand a

chance of winning the right to put on the Olympics one day."

The two main constructors, McAlpine and Laing, say that the Prime Minister's revised schedule will not affect its costs or its building plan.

The site has been cleared and piling will begin on schedule early next week. Lord Rogers described Mr Blair's decision to press ahead with the exhibition as courageous and visionary. "It is a huge vote of confidence in the people of this nation and their ability to create and deliver an event of world significance," he said.

He also supported Mr Blair's idea that the project should involve more than just the exhibition site in South London. "The millennium celebration must now draw participation from throughout the nation and create at Greenwich the centre of a national network of celebrations and exhibitions."

Leading article, page 21

Children want more entertainment and less education

By DAVID CHARTER
AND JOHN O'LEARY

PLANS for the Millennium Exhibition outlined in *The Times* yesterday left teenagers consulted in a straw poll yearning for more excitement.

Tony Blair said that he wanted an exhibition that would pass the "Euan test" by commanding the interest of his 13-year-old son. Children of a similar age said the plans

put too much emphasis on education and too little on entertainment. In trying to attract school parties the show will have to compete with theme parks such as Alton Towers, which now complements its renowned white-knuckle rides with an education centre.

A group of 14-year-old girls at King Edward VI Handsworth School, Birmingham, liked the details of the exhibition but saw room

for improvement. The latest plans include a virtual reality space walk, toys of the future and holograms of great inventions.

Clare Lester said: "It sounds really high-tech and interesting. But it is meant to be a fun celebration isn't it? It seemed a bit educational to me; a bit like a science fair."

Sukhbir Nahl, said: "It is a good idea but one thing which disturbed me was that it was too sciencey and

some people might not find it very interesting. We should have more sport involved as well."

Catherine Jakstka liked the futuristic ideas but said: "I might want to go but it would not be my top priority. I sounds more like a museum and not really something I can interact with."

The £750 million cost was too high for Adam Shelton of Simon Langton Grammar School for Boys in Can-

terbury, Kent. Adam, 14, said: "It is too much to spend on an exhibition when you could spend it on good causes like homelessness, education and medical research."

He added: "The plan looked interesting but it would not come above things like Alton Towers for my age group. I would like to go just because it is for the millennium but personally I get bored very quickly going round museums."

Bishops reject extending lay powers

By RUTH GLEDHILL
RELIGION CORRESPONDENT

BISHOPS in the Church of England have rejected calls for lay people to stand in for priests at Holy Communion. In a report published today, the bishops argue that the distinction between the ministry of ordained and lay people must be retained.

Some Church leaders, mostly from the evangelical wing, have been calling for lay people to be sanctioned to "preside" at Holy Communion services. Others have urged the relaxation of rules, particularly in provinces where there is a shortage of ordained priests.

Lay people are currently allowed to officiate at morning and evening prayer and to help a priest to distribute the Sacrament at a communion service. When a priest is unavailable, a lay person can also baptise an individual in extreme circumstances, for instance if they are close to death.

The matter has been brought to the fore in the Church of England by the steady decline in the number of full-time clergy. In rural areas, one priest can be covering half a dozen parishes. Because they cannot be expected to take a communion service at each parish every Sunday, some parishes have to go without communion.

Nazis 'bombed Dublin to punish aid for Belfast'

By AUDREY MAGEE, IRELAND CORRESPONDENT

GERMAN bombers attacked Dublin during the Second World War to intimidate the Irish and prevent them assisting the Allies, according to new research.

A study of German records in Munich appears to overturn a long-held view that neutral Ireland was bombed in May 1941 by a plane that had flown off course. The attack, which left 34 dead and 90 seriously injured, was a planned assault on Ireland to reprimand its Government for sending fire engines to Belfast to fight bomb blazes, according to Leo Sheridan, an investigator of air and naval accidents.

Mr Sheridan, who studied Luftwaffe files in Germany and reports from Bleichley Park, London, where code-breaking operations were carried out, said the Germans devised Operation Roman Helmet to teach the Dublin Government a lesson for breaching its neutrality.

In April 1941, Eamon de Valera, the Irish Prime Minister, had accepted a call for help and sent fire engines to Belfast to quench the fires after a German attack which killed 700. De Valera dismissed Nazi complaints by saying that the Irish Government claimed sovereignty over Northern Ireland.

Mr Sheridan, 64, originally from Galway but now based in France, said: "The English newspapers carried reports

with headlines about the Irish sending fire engines to Northern Ireland. The Germans did not like this and decided that Ireland needed to be given a taste of what would happen to them if they continued."

He said that the British got wind of the German attack and warned the Irish that there would be an assassination attempt on the President, Douglas Hyde. The Irish were expecting paratroopers but were not prepared for bombs.

Mr Sheridan claimed that the British, who tried hard to coerce Ireland into joining the war, had advance warning of the bomb attacks. He said: "It would have been in the interest of Britain for the thing to go wrong to persuade the

people of the horrors and force the hand of the Irish." In the attack, 25 houses were destroyed and 300 more were so badly damaged that they were abandoned. The aircraft dropped a bomb in Phoenix Park which shattered the windows of the President's home, then flew to the city centre, claims Mr Sheridan, to destroy the Tara Street fire station. That bomb fell into the River Liffey.

No more fire engines were sent to Northern Ireland, although there was not another blaze serious enough to warrant it. The Germans apologised a month later for the attack and in the 1960s paid compensation to the bereaved families.

They also paid compensation to families of three dairy workers killed by a 1940 bomb attack in Campile, Co Wexford. Historians remain divided over whether the attack was intentional to prevent dairy supplies to Britain.

Ronan Fanning, of the Modern History Department in University College, Dublin, said that the findings were plausible, although he was sceptical about the claims that the British warned the Irish.

He said: "If it is documented and if every item is correct, then the really startling thing about all of this is that the British code-breakers tipped off the Irish defence forces, and that I find really hard to believe."

LAURA ASHLEY

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Ancient plough turns up near Eton

By NORMAN HAMMOND
ARCHAEOLOGY CORRESPONDENT

THE oldest plough ever found in Britain has been recovered from the Thames gravels near Eton. Dating back some 2,800 years, the wooden plough was found during excavation for an Olympic-sized rowing lake for Eton College.

Technically known as an ard, because the head and stilt are made from a single piece of timber — the trunk and branch of a maple tree — the plough has been radiocarbon-dated by the British Museum to between 900 BC and 800 BC. That makes it four centuries older than a similar ard found recently in Scotland.

Tim Allen of the Oxford Archaeological Unit said: "The ard is made from field maple, a hardwood resistant to wear and with the flexibility to withstand shocks while ploughing, like hitting stones. It dates to the late Bronze Age and was found near a complex of ditched enclosures which were probably arable fields."

The find was made near a wooden jetty, the piles of which were also preserved in the waterlogged riverside deposits. Cereal grains have also been found, together with pottery vessels, human skulls and bodies and animal remains. Mr Allen believes they may have been offerings to the Thames: such water-deity cults were common in late prehistoric Europe. The

ard had apparently broken in use because its head was not worn out. It supplants another early ard as Britain's oldest: the well-preserved example found at Pict's Knowe near Dumfries in 1994 has since been dated to about AD 180.

Evidence of arid agriculture, though not the tools themselves, is much older: the characteristic criss-cross ploughmarks, used to break the sod before the introduction of iron ploughshares, were found during redevelopment near London Bridge in 1988 and dated to about 2000 BC. Even older marks have been found under Neolithic burial mounds in Wessex, suggesting that ards were employed in Britain some 6,000 years ago.

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to op

Cholera
makes a
comeback

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BSE lets buffalo roam into shepherds' crook business

By PAUL WILKINSON

LAW to contain "mad cow" disease could mean the traditional carved ram's horn handle on shepherds' crooks being replaced by water buffalo.

Horn from the animal more usually seen in the paddy fields of Asia than the pastures of Britain is gradually taking over from the ram at the head of the familiar stick carried by generations of hill farmers and shepherds.

New regulations intended to combat the spread of BSE and infection from other spe-

cies, such as sheep, now define ram's horns as offal, which must be destroyed in abattoirs.

A spokesman for Horn and Country Crafts, of Hawick, Borders, one of Britain's largest suppliers of horns, said: "It is becoming increasingly difficult to get hold of ram's horns as the supplies get used up. They are usually seasoned for at least a year before going to stickmakers, but now the stocks are running low."

"Water buffalo horns have

been imported from India by some suppliers as an alternative and they are very good, but they are not British and not traditional.

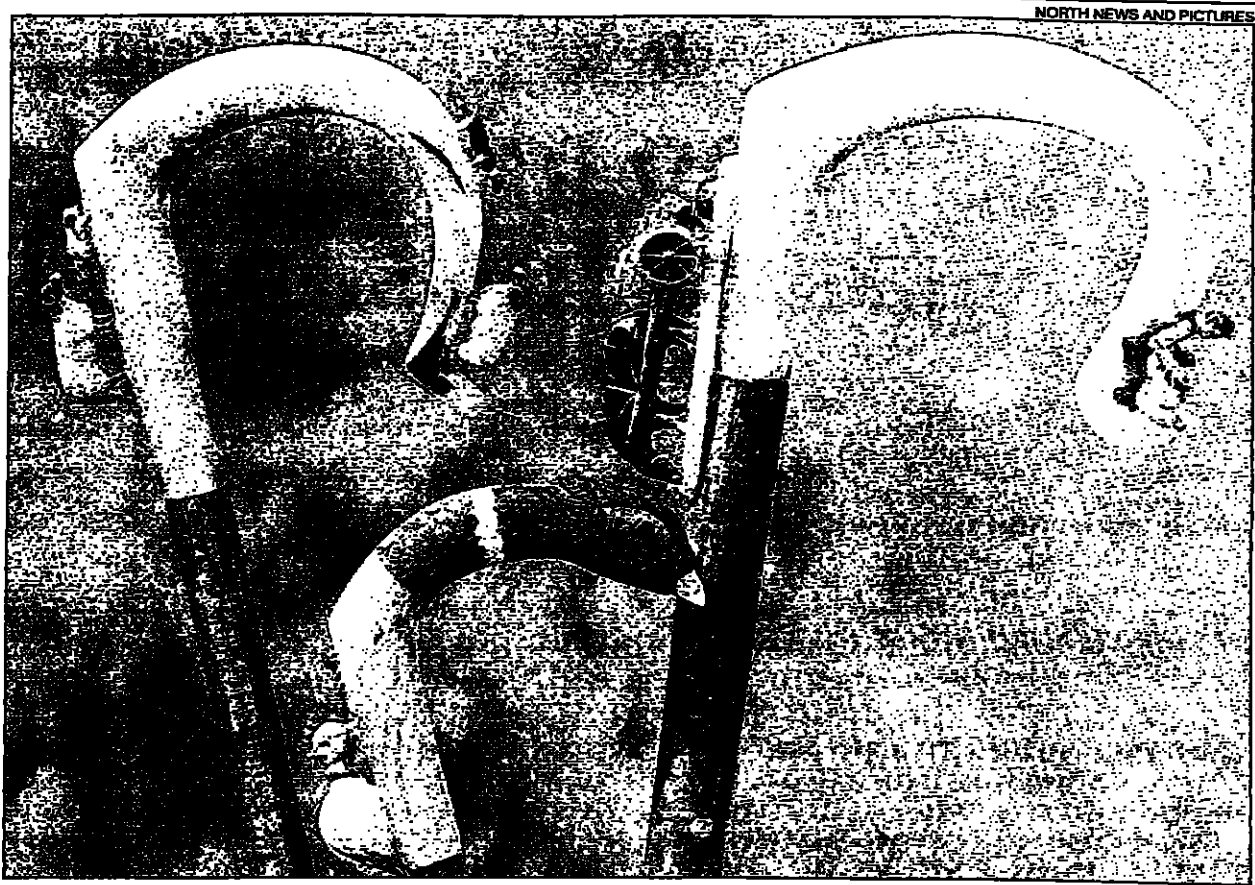
"The ram's horn is the best to work with. Treated properly they are virtually indestructible and form a beautiful curve ideal for a handle."

"It would be a great shame if this traditional craft were to die out. I think a black market will develop for genuine ram's horns," the spokesman said.

A ram's horn can cost up to £15. It is first boiled to destroy the animal tissue inside and shaped by heating with a blowtorch. The softened material is then bent and held in place with clamps.

The best sticks, fashioned from elm or burr and topped with a ram's-horn handle, can take more than 100 hours to complete and sell for up to £200.

A spokesman for the Ministry of Agriculture confirmed that, under the regulations, ram's horns have to be destroyed. "It is purely a precaution, but the Government has agreed to act on the advice of scientists who are studying the BSE problem. They said



Handle with care: intricately designed shepherds' crooks of ram's horn can take up to 100 hours to make



Foreign field: British crooks could be on way out

official should be taken out of the food chain to minimise the risk, and horns are classed as offal."

Eric Ibbotson, spokesman for the Northern Stickmakers Association in Darlington, Co

Durham, said: "It is starting to prove a real problem, with supplies of horns running out. Personally I do not think it is necessary to ban the sale of ram's horns."

"They are thoroughly treat-

ed and it's not as if they are going to be eaten by anyone." Mr Ibbotson, 65, who took up stickmaking when he retired from the railways due to ill health five years ago, said: "Stick making is a traditional

craft dating from biblical times and the ram's horn is the crowning glory. It can take a long time to complete a stick, but there is an enormous sense of satisfaction at the end."

Villagers lose fight to block new homes

By A STAFF REPORTER

RESIDENTS have lost their battle in the Court of Appeal to block plans for thousands of new homes which they fear could obliterate the characters of four villages mentioned in the Domesday Book.

The parish councils of Felsted, Takeley, Birchington and Little Dunmow, in Essex, were fighting for a fresh public inquiry into a scheme for 2,500 homes for workers at Stansted airport. But three senior appeal judges ruled that there had been no unfairness to the villagers when Uttlesford District Council refused a second inquiry.

During the hearing John Steel, QC, appearing for the parish councils and Felsted and Little Dunmow Conservation Association, told the judges that objectors had been virtually locked out of the planning process and prevented from properly putting their views at the original inquiry. But the judges rejected the villagers' claims that George Bartlett, QC, erred in law when he ruled in the High Court in July against an application for judicial review. The protesters are considering an appeal to the Lords.

Trainee surgeons allowed to operate unsupervised

By IAN MURRAY
MEDICAL CORRESPONDENT

LARGE numbers of trainee surgeons and young consultants are performing major operations for the first time without an experienced trainer present.

Many such operations are performed in emergency units, but procedures including kidney transplants, mastectomies and stapling the stomachs of obese patients have all been carried out by unsupervised doctors who have never performed that kind of surgery before.

To determine how widespread the practice is, Janet Wilson, professor of head and neck surgery at Newcastle University, collected information from 276 general and specialist ear and throat surgeons. The results, she says in an article published in the *British Medical Journal* today, are in line with earlier surveys suggesting that two

The chief executive of a hospital at the centre of Britain's biggest smear-test blunder is leaving his job. Edward Pearson is retiring two years early after the rescreening of 91,000 cervical cancer smear tests because of laboratory errors between 1990 and 1995. The Kent and Canterbury Hospitals Trust is being sued by 15 women who had hysterectomies and by the families of three women who died.

thirds of all operations carried out by surgical trainees are unsupervised.

She found that house officers had undertaken operations for removal of glands, the gall bladder, the spleen and the stomach without a senior doctor present. Among procedures carried out for the first time by unassisted registrars were a triple bypass for cancer of the pancreas, repair of a damaged liver, gall bladder treatment, removal of the gut and of the prostate. Twenty registrars had carried out large bowel resections and six had repaired aneurysms without their trainer present. Among the specialists, 73

per cent carried out complicated procedures which they had never seen in training and 41 had performed operations which they had only observed as trainees. One reason for this was that one of the procedures involved was a new one which had only just been introduced in Britain. However, 38 of the operations were well-known but the surgeon had never had the opportunity of learning how to do them with the help of an experienced trainer.

Professor Wilson writes: "Most responsible trainers and members of the public will agree with the view of the trainees that unsupervised

first time surgery is not ideal training."

Claire Rayner, president of the Patients' Association, said: "It is a worry, but it is the inevitable result of the pursuit of efficiency and the fact that junior doctors, quite rightly, now work shorter hours. It all means fewer staff and that means that this sort of thing is inevitable. The only way to get this right is to put more money into the NHS."

"But haven't they done a wonderful job? We don't hear of patients dying in droves from this sort of thing." Dr John Spiers, chairman of the Patients' Association, said: "Junior doctors told the Audit Commission a year ago that they were working beyond their competence and the Government failed to respond. People have to be trained but they have to be under supervision while they are untrained. It is one thing in an emergency but quite wrong with elective surgery. It is intolerable."

Cholera makes a comeback

By IAN MURRAY

THERE has been a resurgence of cholera in the 1990s, with millions of cases and tens of thousands of deaths worldwide. More cases have been reported to the World Health Organisation each year this decade than in any other since surveillance began.

The danger of the illness spreading rapidly is exacerbated by air travel, according to a report in *The Lancet* today. South America, where cholera reappeared in 1991 after being unknown for more than a century, is the most dangerous area. Since 1991, 1.4 million cases have been reported there, leading to 10,000 deaths.

An epidemic of a different strain began in India and Bangladesh in 1992. There is no cross-immunity with other strains and to date there have been 200,000 cases. Vaccines may give some immunity, but the report says clean water and good hygiene are the only sure ways to deal with it.

Herpes linked to bone cancer

By NIGEL HAWKES, SCIENCE EDITOR

AMERICAN scientists have found that a herpes virus may be responsible for multiple myeloma, a bone marrow cancer that affects 1,500 people a year in Britain.

The discovery could provide a new approach to treating or preventing this form of cancer. There is evidence that the virus is also present in a pre-cancerous condition that sometimes leads to multiple myeloma, so early detection and treatment with drugs or vaccines might prevent the cancer developing.

Researchers have been searching for a viral cause of cancer for many years, with limited success. But a team from the Veterans Affairs West Los Angeles Medical Centre, led by James Berenson and Matthew Rettig, report in *Science* that a herpes virus appears to be implicated in multiple myeloma.

The virus is not found not in the cancer cells themselves but in so-called dendritic cells

nearby. The virus pumps out a protein called interleukin-6 that is known to stimulate myeloma cell growth.

The same virus is found in Kaposi's sarcoma, a cancer suffered by many AIDS patients, but previous attempts to find it in myeloma had failed. Only by culturing the cells to increase the proportion of dendritic cells and then multiplying up the viral DNA could the virus be detected, the Los Angeles team reports.

The virus was detected in the dendritic cells of all the 15 myeloma patients studied, and in no healthy people or people with other types of cancer. "We have identified the virus consistently in 100 per cent of the myeloma patients," Dr Berenson says. "That percentage is amazing."

The virus, called Kaposi's Sarcoma-Associated Herpes Virus, is not one of the common types that cause coldsores, genital herpes or chicken pox and shingles.

HRT helps women to live longer

FROM TOM RHODES
IN WASHINGTON

WOMEN who take oestrogen for years after menopause are substantially lowering their general risks of premature death, two studies showed yesterday.

In the first decade of hormone replacement, the chance of dying from all causes was cut by 31 per cent, said a study in the *New England Journal of Medicine* today.

A second report in *Neurology* said consistent oestrogen intake reduced the risk of death from Alzheimer's by 54 per cent.

The mortality benefit among those taking hormones appeared to drop to 20 per cent after ten years, the *Journal* said, with a greater risk of dying from breast cancer.

However, even the women who were most likely to contract breast cancer seemed to benefit from oestrogen. Researchers said that the risk of premature death was cut by 35 per cent.

£95,000 for dance-lover who lost arm

By A STAFF REPORTER



Patricia Bird: won dance medals

A GREAT-GRANDMOTHER whose ballroom dancing days were ended when her left arm was amputated after an alleged medical blunder accepted a £95,000 settlement yesterday.

Ealing, Hammersmith and Hounslow health authority offered the payment two days into a High Court hearing, but did not accept that staff at West Middlesex Hospital had been negligent in their treatment of Patricia Bird, 67.

The court was told that Mrs Bird was once a happy and outgoing woman but was now constantly depressed about her appearance. She had never returned to her first love, Latin American dancing, for which she had won medals. Her lawyers claimed that prompt treatment of blood clots might have saved her arm and "prevented all the misery that followed".

The court was told that Mrs Bird, who has six great-grandchildren, had a history of poor circulation and cold, blue fingers on her left hand when she was admitted to West Middlesex Hospital, in Isleworth, west London, on March 6, 1991. Her counsel, Brian Langstaff, QC, said that hospital staff had been wrong to treat her condition "conservatively" with drugs and had negligently delayed an operation to remove blood clots from her arm.

Mrs Bird, of Isleworth, was operated on ten days after her admission to the hospital, by which time it was too late to save off amputation, he said. She had never recovered from the shock of the amputation, he added.

In the middle of evidence, after negotiations outside court, Mr Langstaff told Mr Justice Roulger that his client had accepted £95,000 in settlement of her claim. Michael Curwen, for the health authority, told the judge that his client made no admission of liability.

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Seized computer records showed how Briton living in Amsterdam kept track of cocaine shipment

Drug baron who amassed £40m fortune is jailed for smuggling

FROM MARK FULLER IN THE HAGUE

ONE of Britain's wealthiest men was jailed for 12 years by a Dutch court yesterday for masterminding a massive drug smuggling operation.

Curtis Warren, 34, from Liverpool, named Target One by Interpol, was the absolute leader of an international drugs ring which trafficked in enormous volumes of cocaine, heroin, hashish and Ecstasy. Judge Holtrop said. However, the judge said that he had moderated the prosecutor's demand for a maximum 10-year sentence because Warren did not belong to "the extremely violent drugs barons".

Warren, who did not appear in court, had rejected earlier proceedings against him as being "a police set-up". He will appeal. Warren was named last month as one of Britain's wealthiest men, with a £40 million fortune. He moved to The Netherlands in 1995, from where he controlled the drugs

ring. Extensive bugging exposed his control of the operation. Police obtained records from his computer showing him tracking a huge shipment of cocaine from South America to Rotterdam. He was responsible for several large shipments of drugs seized by British Customs before his arrest, the court was told.

Three other Britons and a Colombian were also jailed yesterday for their involvement in the gang. Stephen Mee, 38, from Manchester; Stephen Whitehead, 34, from Oldham; and Javier Atehortua were each jailed for seven years. John Farrel, 34, from Manchester was given a 12-month sentence after the judge said that he had played only a minor role in the ring.

Judge Holtrop said he had substantially moderated Mee's sentence because he faced a 22-year sentence in Britain for his involvement in the cocaine smuggling racket. Mee had been on the run in



Part of the £100 million drugs haul seized by police

Holland for three years after escaping from a prison van on the way to Manchester Crown Court.

British and Dutch police and customs officers said the convictions vindicated their six-month joint operation, codenamed Crayfish, that led to the arrest of the gang last October and the seizure of

317 kilograms of cocaine and quantities of other drugs with a combined street value of £100 million.

"An entire drugs gang has been destroyed," Paul Acda, deputy chief of Customs and Excise, said. "Warren was a unique trafficker in British terms, because he had direct contact with the sources of

the drugs. It will be a long time before anybody takes his place."

The squad which led Operation Crayfish was launched a few months after Warren was acquitted of being part of a £155 million cocaine ring. Customs officers were keeping watch on a cargo of 200kg of heroin on board a Turkish lorry driven up to Liverpool. The surveillance team saw Warren drive into the lorry park, reconnoitre the area and then disappear. He was clearly back in business after his acquittal.

The judge rejected defence claims that the evidence had been obtained largely by British telephone taps which would be deemed illegal in The Netherlands. Judge Holtrop said there was some lack of clarity and conflict in the accounts given to the court, but not of a nature that would undermine the prosecution case.

Two other members of the gang, William Fitzgerald, 55, and Ray Nolan, 28, were each jailed for three years last month.



Curtis Warren: masterminded international drugs ring

How small-time crook rose to become Mr Big

BY STEWART TENDLER AND RUSSELL JENKINS

EIGHT years ago, Curtis Warren was a typical Liverpool "scally" — a minor villain from Toxteth, stealing cars and mugging. As his fortunes rose, he never gave up his street uniform of shell suit and mobile telephone.

When the drug trade began to expand in the 1980s he was befriended by a Liverpool drugs godfather with international links, who changed the streetwise Warren to develop his own trade. Then he met a Dutchman involved in multi-million-pound cocaine cargoes who was close to the Colombian drug barons. Warren achieved access in South America for himself and his emissaries. He also learnt to deal directly with Turkish heroin producers and cannabis suppliers in Spain.

In 1993, at Newcastle Crown Court, he was acquitted of taking part in a £155 million cocaine ring. As he left the dock, he told Customs officers he was off to spend £85 million he had tucked away.

As he built up his wealth, he moved to a flat in Liverpool's Albert Dock development with his long-term girlfriend Stephanie, daughter of a Liverpool businessman. He also acquired a country home, the Coach House, at Hoylake on the Wirral, and started taking helicopter lessons.

He turned Liverpool into the hub of the British drugs trade, and was so powerful he could stop supplies to anyone who crossed him. He liked to drive the inner-city streets in an open-top Toyota Lexus and

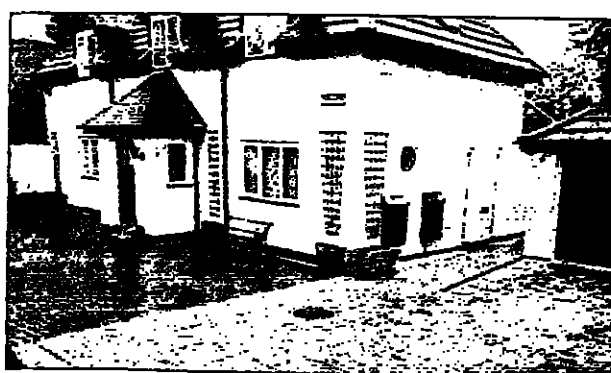
enjoy the adulation of local dealers, but otherwise he was careful. Smugglers and dealers operated in self-contained cells to maintain security. If there was the slightest suspicion that a consignment might be under surveillance, Warren abandoned it.

Cash was laundered by couriers who took up to £500,000 at a time to London, where it was changed into large denomination Dutch and German notes. These were banked in Europe.

At least £20 million was cleaned by this operation. Warren's investments included two petrol stations in Turkey. He had 250 properties in the North West: a front company bought terraced houses which were let to benefits claimants.

After warfare broke out between two of the Liverpool street clans three years ago, Warren fled to The Netherlands. He believed he might be able to broker a peace on the Merseyside streets from the safety of his new home. Aware that police and Customs were interested in him, he also thought he was safe there.

When he was finally arrested at his 16-room at Sassenheim, after an investigation with Dutch police, he was shifting 500 kilograms of drugs a month. He was also busy moving into eastern Europe. Investigators found he was negotiating to buy a Bulgarian winery which Customs officers believe would have been used to store consignments of cocaine.



One of 250 properties owned by Curtis Warren

Dog's teethmarks trap owner's killer

BY A STAFF REPORTER

A JEALOUS killer has been jailed for life after he was identified by bite marks left by his victim's dog.

Christopher Allen, 26, from Rochdale, Manchester, went to the home of John Yates, his girlfriend's lover, and stabbed him through the heart with a kitchen knife.

The victim's Alsatian, Zac, repeatedly bit Allen's hands and wrists, but was forced to back off when Allen stabbed it in the shoulder and near an eye.

Neighbours heard the dog barking and then yelping in pain outside the house. Shortly afterwards the victim's body was discovered on the doorstep.

Allen repeatedly denied being involved in the killing but detectives asked a dental expert to make impressions of the wounded dog's

teeth and they matched the puncture wounds in Allen's hands. At Manchester Crown Court he admitted that he had stabbed Mr Yates but claimed that he acted in self-defence when attacked by the victim and his dog.

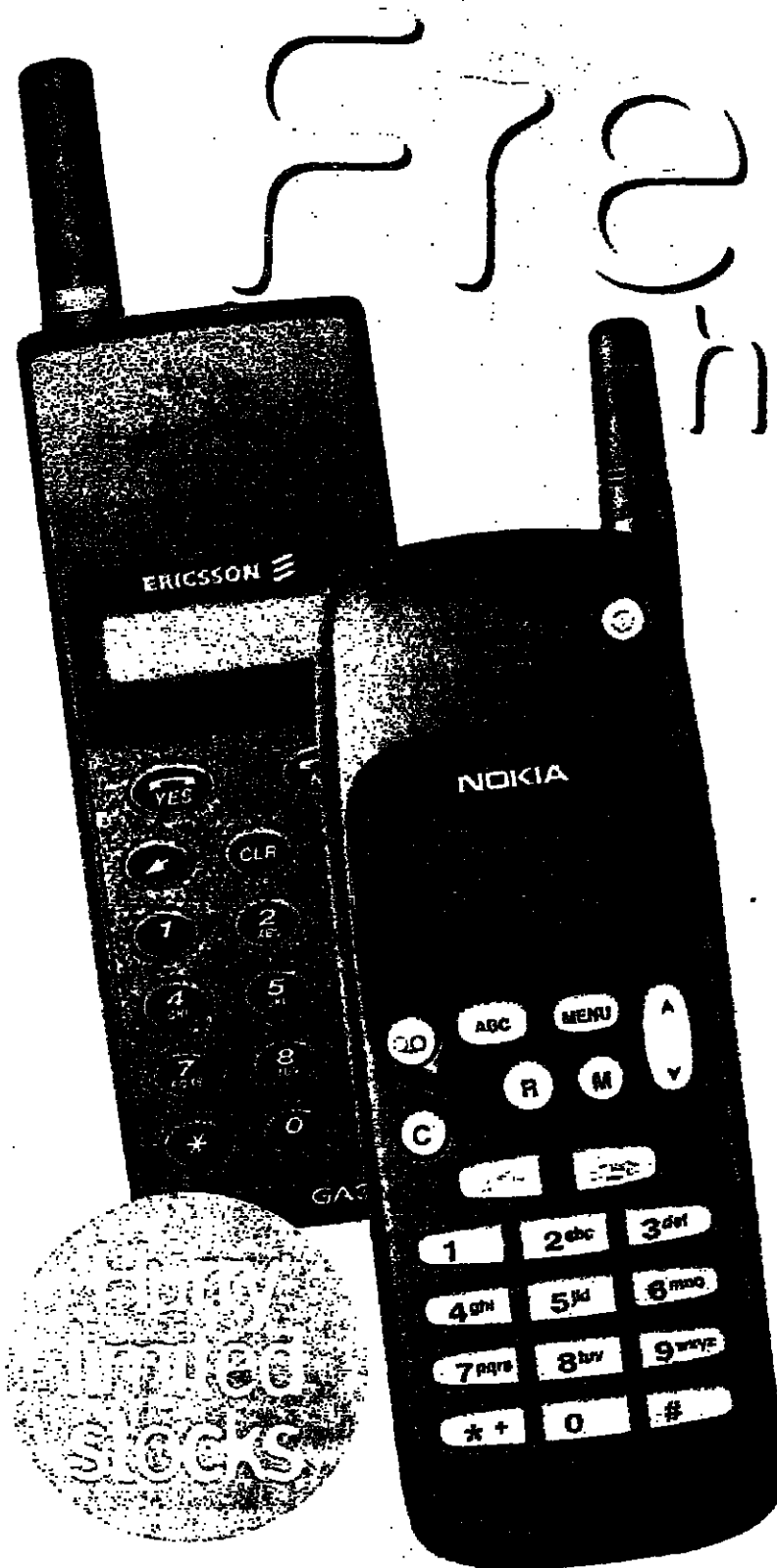
He said he had stabbed the dog to fight it off but did not realise Mr Yates had also been stabbed.

A jury took just over four hours to find him guilty of murder. Mr Justice Forbes told him: "You were motivated by a combination of jealousy and a desire for revenge."

"You armed yourself with two knives, sought out your victim and stabbed him to death as he stood before you unarmed. You killed a decent, hard-working young man in the prime of his life."

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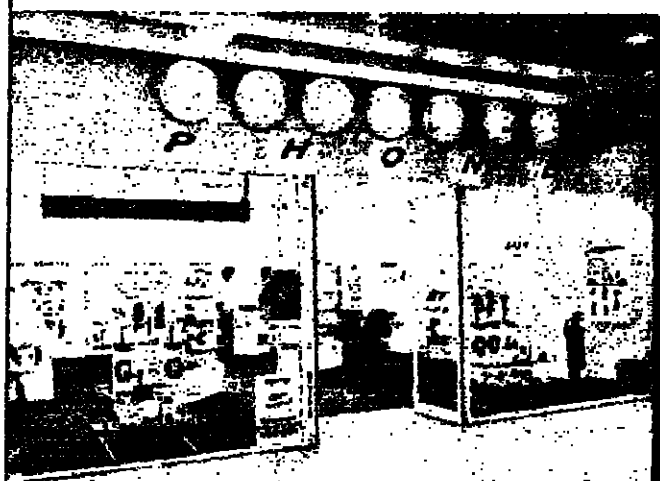
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هاتف الناس

French leader gives single currency commitment as Germans ease financial crisis

Jospin sets out his stall with pledge to create 700,000 jobs

FROM SUSAN BELL IN PARIS

IN his first speech to the National Assembly yesterday, Lionel Jospin, France's new Prime Minister, confirmed his commitment to achieving a single currency on time, but significantly made no mention of meeting the criteria for economic and monetary union.

M. Jospin said the euro must go hand-in-hand with economic solidarity to create growth and jobs. Citing his securing of an "employment pact" at the Amsterdam summit this week as the first step, he said that France would continue to push for a more social Europe.

M. Jospin set out his Government's programme during an hour-long address which met with a standing ovation from his coalition in the assembly but which denied share prices. The Socialist leader pledged to honour his campaign promises, saying that he would give "absolute priority" to finding 700,000 jobs for young people and confirming his intention to gradually reduce the working week from 39 to 35 hours.

However, M. Jospin emphasised that change would take time because of the "serious state" of French finances. A planned mini-budget and a national employment conference would be delayed until September to give the Government time to study an audit of public finances to be completed next month. The audit is expected to confirm preliminary Treasury reports that

France will fail to meet the strict budgetary criteria to join the single currency. The 1997 deficit is expected to exceed the target of 3 per cent of gross domestic product by between 0.4 and 0.8 per cent.

To encourage job creation, M. Jospin said France's exceptionally high social charges would be reduced in an effort to shift the burden from employers. A reduction in VAT, which increased under the previous centre-right government, would also be examined. The resulting shortfall would be made up by a rearrangement of other taxes.

M. Jospin drew groans of disappointment from the Socialist, Communist and Green benches when he announced that France's minimum wage of Fr 6,406 (£670) per month will be increased by 4 per cent from July 1, an increase of about 250 francs for the 2.2 million employees who draw it, and far less than the Communists and trade unions had demanded. M. Jospin retorted that given inflation of less than 1 per cent, the rise was the biggest increase in purchasing power for the low-paid in 15 years.

M. Jospin kept another key election promise by announcing an important step towards judicial independence — the protection of examining magistrates from government interference. He also pledged to restore the right of citizenship to anyone born in France, a right eroded by the previous Government.



Lionel Jospin delivering his inaugural address as Prime Minister to the National Assembly with a promise to reduce unemployment that won a standing ovation

Fast-breeder to be scrapped

Paris: Lionel Jospin said he would scrap the fault-prone Superphenix nuclear fast-breeder, calling it too costly and of doubtful value.

The move was a victory for Greens leader Dominique Voynet, the Environment Minister, who has denounced the Fr60 billion (£6 billion) plant built 20 years ago near Grenoble as a "stupid financial waste". (Reuters)

Neo-Nazi held in child sex case

BY SUSAN BELL

A NEO-NAZI accused of being a ringleader in the French child pornography scandal appeared before a judge yesterday in Macon, 46 miles north of Lyons.

Bernard Alapetite, 46, was arrested in connection with a massive anti-paedophile operation conducted by French police. He was traced to a photographic studio in the wealthy resort of la Baule in Brittany on Wednesday.

One of the objectives of the French crackdown was to collect evidence against M. Alapetite, who has already been sentenced three times for distribution of child pornography. Following his last arrest in Paris in November he was released due to lack of evidence.

He is accused of having bought videos portraying child pornography in Spain and Poland and copying them for resale in France for Fr800 (£88) each.

The head of a publishing company based in Paris, he is known to police for his connections with the neo-Nazi movement. He has been involved in the publication of extreme-right magazines.

A mailing list of over 1,000 names discovered at the headquarters of M. Alapetite's company enabled police to raid over 800 homes this week in a search for child pornography. So far 648 suspects have been arrested since the crackdown started on Tuesday.

Bundesbank throws Kohl a line to reach euro target

FROM ROGER BOYES IN BONN

THE German Government yesterday won the agreement of the Bundesbank to revalue the country's dollar reserves and use some of the profits to wriggle out of the current financial crisis.

Burned by the recent row over revaluing gold, both Theo Waigel, the Finance Minister, and Hans Tietmeyer, the Bundesbank President, were reluctant to disclose details of their understanding. They merely said that they had reached a good and acceptable solution. The critical outstanding questions are how much of the profit from revaluing the reserves can be transferred to Bonn, and when such a transfer should happen — this year or next.

Only when these details are disclosed in full — probably after a session of the Bundesbank council — will it be clear if the dollar move can help Bonn to meet the Maastricht fiscal targets for economic and monetary union.

The underpinning of the deal is that the Bundesbank's huge currency reserves are very undervalued, fixed at 1.36 marks to the dollar. A revaluation would have been necessary anyway as the various central banks prepared to give up powers, and part of their reserves, to the new European Central Bank.

There is no question of revaluing the rate to more than 1.7 marks to the dollar,

but the central bankers seem ready to accept a rate of around 1.5 marks. That would bring a book profit of up to 15 billion marks (£5.3 billion), a chunk of which could be used by the Government.

The money would not, however, go directly towards plugging the budget gap, but would be used to pay off debt incurred by financial transfers to eastern Germany. If that can be achieved this year, the euro targets could be within reach. At the moment Germany seems set to overshoot both the total debts target of 60 per cent of gross domestic product and the public deficit goal of 3 per cent.

The contours of the deal are similar to those proposed for the gold reserves by Herr Waigel. That unleashed a storm of international criticism that Germany, previously regarded as the fiscal schoolmaster of Europe, was ready to fiddle the books in order to start the euro up on time. When the Bundesbank showed firm resistance, the Government backed down. The gold will indeed be revalued but probably not until 1999.

The difference between revaluing the dollars and the gold is that gold reserves are protected under the Bundesbank law. The Government would probably not have been able to push an amended Bundesbank law through the

upper house of parliament, which is dominated by Social Democrats.

Gold reserves have a potent and almost mythical sway over the imagination of Germans, who have desperately feared inflation since the 1920s. The dollar reserves do not have the same political force, nor is their value protected by the Bundesbank law.

The coalition seems to be recovering its confidence. Even Herr Tietmeyer, in comments reported by the *Handelsblatt* business daily, seemed to suggest the 3 per cent public deficit target was not necessarily the most crucial factor. He said that in assessing the suitability of EMU candidates, the Frankfurt-based European Monetary Institute will be looking closely at a number of factors influencing future budgetary discipline, including the demography of each state.

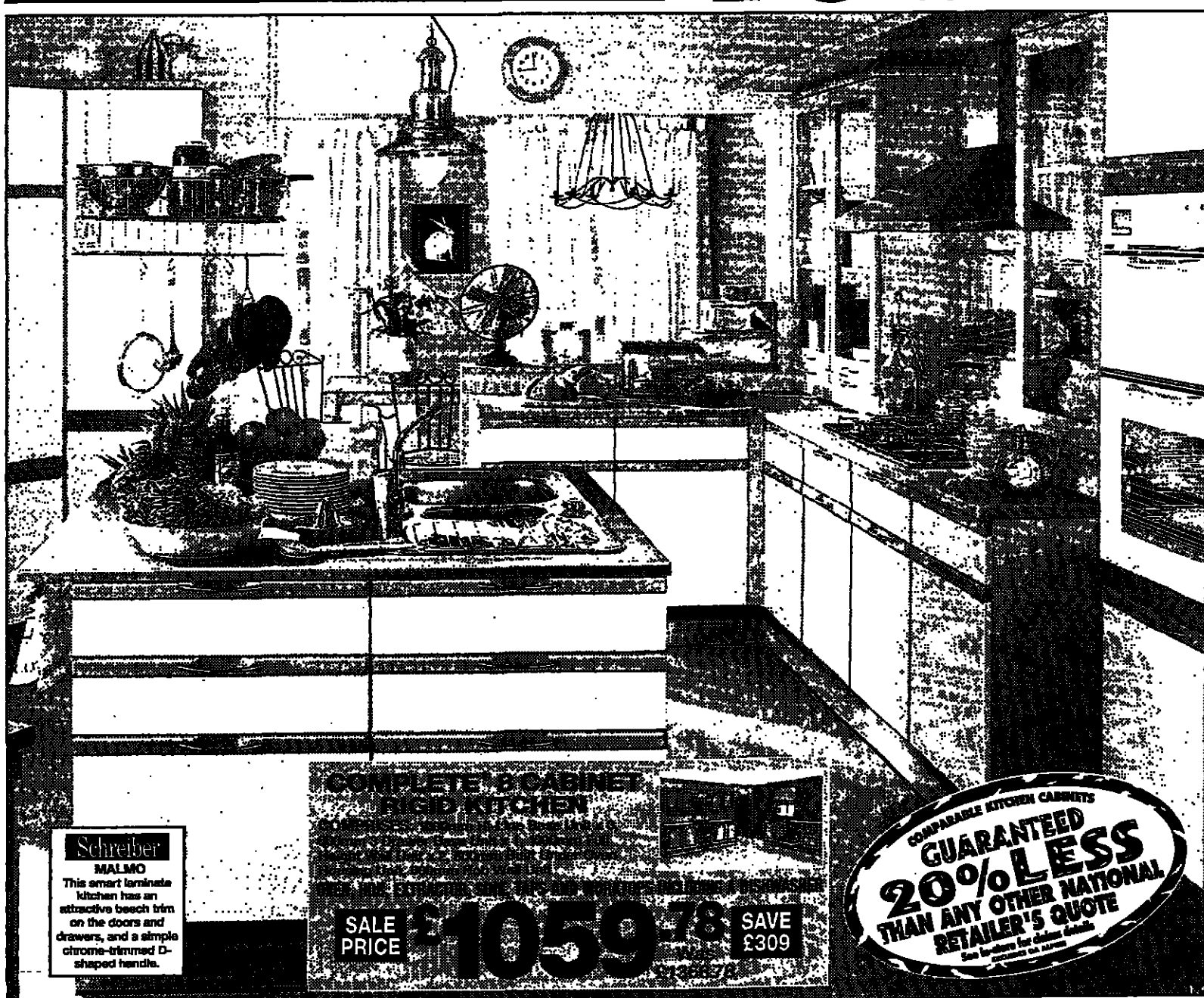
Karl Heinrich Oppenländer, president of the influential IFO economic institute, deplored the recent clash between Bonn and the Bundesbank about revaluing gold reserves.

"The confidence of financial markets in the sustainability of budget consolidation has declined considerably as a result," he said. "Short-term measures to meet Maastricht targets at any price can destroy trust more than they can encourage it."

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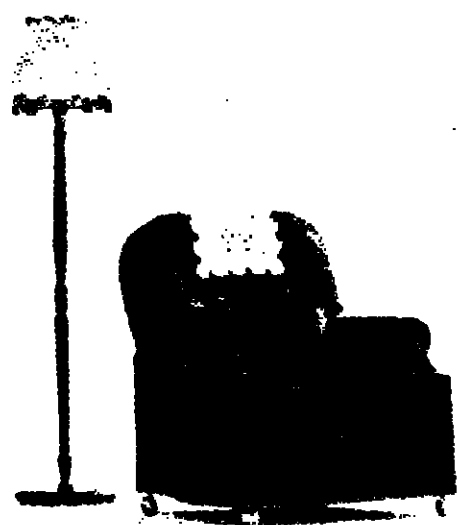
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SHOPPING HOURS: Monday 10-8, Tuesday 10-8, Wednesday 10-6, Thursday 10-6, Friday 10-8, Saturday 9-6, Sunday 11-5, 10am-5pm (last 10 days only) 10-8, 10-6, 10-5, 10-4, 10-3, 10-2, 10-1, 10-0, 9-5, 9-4, 9-3, 9-2, 9-1, 9-0, 8-5, 8-4, 8-3, 8-2, 8-1, 8-0, 7-5, 7-4, 7-3, 7-2, 7-1, 7-0, 6-5, 6-4, 6-3, 6-2, 6-1, 6-0, 5-5, 5-4, 5-3, 5-2, 5-1, 5-0, 4-5, 4-4, 4-3, 4-2, 4-1, 4-0, 3-5, 3-4, 3-3, 3-2, 3-1, 3-0, 2-5, 2-4, 2-3, 2-2, 2-1, 2-0, 1-5, 1-4, 1-3, 1-2, 1-1, 1-0, 0-5, 0-4, 0-3, 0-2, 0-1, 0-0, 11-5, 11-4, 11-3, 11-2, 11-1, 11-0, 10-5, 10-4, 10-3, 10-2, 10-1, 10-0, 9-5, 9-4, 9-3, 9-2, 9-1, 9-0, 8-5, 8-4, 8-3, 8-2, 8-1, 8-0, 7-5, 7-4, 7-3, 7-2, 7-1, 7-0, 6-5, 6-4, 6-3, 6-2, 6-1, 6-0, 5-5, 5-4, 5-3, 5-2, 5-1, 5-0, 4-5, 4-4, 4-3, 4-2, 4-1, 4-0, 3-5, 3-4, 3-3, 3-2, 3-1, 3-0, 2-5, 2-4, 2-3, 2-2, 2-1, 2-0, 1-5, 1-4, 1-3, 1-2, 1-1, 1-0, 0-5, 0-4, 0-3, 0-2, 0-1, 0-0, 11-5, 11-4, 11-3, 11-2, 11-1, 11-0, 10-5, 10-4, 10-3, 10-2, 10-1, 10-0, 9-5, 9-4, 9-3, 9-2, 9-1, 9-0, 8-5, 8-4, 8-3, 8-2, 8-1, 8-0, 7-5, 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مكتبة الامن الاسلامي



THE MONTEREY FROM VAUXHALL 
An off-roader with all the comforts of home.

Patten bows out to warm praise from arch critic

Governor laments loss of democracy under Beijing rule

FROM JONATHAN MIRSKY IN HONG KONG

CHRIS PATTEN, the outgoing Governor of Hong Kong, won praise last night from Tsang Yok-sing, the self-styled leader of the colony's main "anti-Patten party", who said Mr Patten had much to be proud of.

His remarks came after Mr Patten said that Hong Kong "is probably the only example of decolonisation where after 150 years, when finally a colonial administration comes to an end, there is going to be less democracy afterwards rather than more. Everywhere else it has been the other way around."

Mr Patten was appearing at the last Governor's question-and-answer session before the elected Legislative Council, which will be displaced on July 1, a monthly event which he instituted. These sessions are usually political knock-about with the Governor using his experience from the Commons dispatch box to give as good as he gets from his adversaries.

But yesterday was a friendly affair, punctuated by only two suggestions: from a pro- and an anti-China member, that Mr Patten was a failure, with tributes to the Governor and a rare British banging of desks as he left the chamber for the last time.

His last words, which drew a roar of laughter, were that had he been Prime Minister for the past five years, "I would have appointed myself Governor of Hong Kong". In

addition to his view of Hong Kong's diminished future democracy, Mr Patten said that he would have liked "to convince the leaders in Beijing that there is nothing to worry about in Hong Kong, that they could trust Hong Kong, that the development of democratic institutions in Hong Kong was not a question of planting British time-bombs around the community."

This attempt failed, the Governor said, because after the 1989 Tiananmen killings Beijing was determined "to control the outcome" of elections here. He could have had a good relationship with China, he added, if he had done what Beijing wanted. "But I think the price I would have paid would have been to sell out Hong Kong."

Asked what he regarded as his greatest achievement, Mr Patten replied: "This community is more self-confident and more prepared to stand up for itself. People should be brought into the debate about their future. When they have been, they have made their views pretty clear."

This was a reference to the public's participation in the 1995 universal elections for the Legislative Council which Beijing declared illegitimate, and the widespread lack of confidence in the Provisional Legislative Council, approved by China, which will replace it on July 1.

For the first time in the history of LegCo, a British



Chris Patten with Szeto Wah, legislative councillor and pro-democracy activist, at his final question-and-answer session yesterday

Governor mentioned the local Communist Party, a secret organisation said to number at least 15,000. Mr Patten has always refused to discuss its role. Yesterday he said there were Communists here, "operating in the way in which Communists customarily operate, underground and in cells and through the united front". He admitted that the

Government's policy towards the party had been "to close one eye". He recommended this policy for the new government as well: "Take a light-handed approach to political issues."

Praise for Mr Patten came from an unexpected quarter. Mr Tsang, chairman of the Committee for a Democratic Hong Kong, the main pro-

Beijing party here, said that for many of his policies, on education, housing, anti-corruption, law, and government accountability, "the Governor can look back with pride". Mr Tsang, however, blamed Mr Patten for Hong Kong's five years of bad relations with China. Asked if she agreed that Mr Patten had accomplished much, Nellie Fong, a

member of the executive council appointed by the Chief Executive-designate Tung Chee-hwa, and one of the Governor's most severe critics, answered "No, no. I don't know."

Guest house: The Government House, official residence of British governors since 1855, will become a guest house for VIPs after the July 1, a spokes-

man for Mr Tung said. Mr Tung will continue living in his private apartment. The incoming administration would examine ways to make the residence more accessible to the public. Receptions hosted by the Chief Executive and his senior officials would also be held there, along with charity events, the spokesman added. (AFP)

Consul for Hong Kong is appointed

By MICHAEL EVANS

A NEW appointment of Consul-General to Hong Kong was announced yesterday to take effect from July 1, when the colony reverts to Chinese ownership.

Francis Cornish, 55, who is now Senior Trade Commissioner in Hong Kong, will be the first diplomat to fill the new post. His title will be Consul-General to the Hong Kong Special Administrative Region.

Mr Cornish, who was assistant private secretary to the Prince of Wales from 1980 to 1983, has been Trade Commissioner, until now the most senior Foreign Office representative in the colony, since 1993. He will be based in the new, heavily fortified consulate in Hong Kong which overlooks the harbour.

Last year Mr Cornish implied that the consulate would not be able to provide consular protection to the 135,000 Hong Kong people who were given British passports under a scheme aimed at reassuring the colony after the Tiananmen Square massacre in 1989. Chris Patten, the Governor, later removed any doubts about the Government's commitment to the holders of British Nationality Selection Scheme passports. The Foreign Office also announced that Alan Paul would be the next Senior Representative to the British-Chinese Joint Liaison Group in Hong Kong.



Ranariddh yesterday denying the capture

Capture of Pol Pot denied

FROM JAMES PRINGLE IN PHNOM PENH

THE whereabouts of Pol Pot, the former Khmer Rouge dictator, remained a mystery yesterday as Prince Norodom Ranariddh, Cambodia's First Co-Prime Minister, denied that he had been captured.

Dismissing reports on Khmer Rouge radio that the man held responsible for the deaths of more than a million Cambodians had surrendered

to former comrades after fleeing his Angkor Veng base, Prince Ranariddh said: "Pol Pot has not been found."

"All but between five and ten of his supporters have now deserted him and his former comrades are hunting him down," the Prince said. "They are not only ready to cut themselves off from him, but to try to capture him and send him to an international court."

Many Cambodians are determined that Pol Pot, 69,

should be brought to justice. "If he is tried and sentenced, the long nightmare will be over," said Soehua Mu, 43, who founded Cambodia's first non-government agency.

Mrs Soehua did not find out the fate of her parents until 1990, she said. They had disappeared along with 35 other relatives who she never saw again.

"Only when Pol Pot faces justice will our souls be set free," Mrs Soehua said.

£11m appeal for North Koreans

Geneva: The International Federation of Red Cross and Red Crescent Societies appealed for \$wFr26 million (£11 million) yesterday to increase food aid and provide medical care in famine-threatened North Korea.

The appeal, at a two-day donors' meeting, preceded next month's expanded relief operation in which the IFRC will quintuple its food aid programme to cover 700,000 people. (Reuters)

Algeria blast

Algiers: Two people were killed and 20 hurt by a bomb at a cinema here. No group claimed responsibility but the *Al Khabar* newspaper said 26 people had been killed by extremists. (AFP, Reuters)

Bahrainis jailed

Manama: A special security court has sentenced seven Bahrainis to prison terms of up to 5½ years for a series of apparently politically motivated arson attacks, mainly on cars. (AP)

Execution plea

Kiev: Anatoli Onuprienko, 38, who has confessed to killing 52 people across Ukraine — including eight entire families — wants to be shot, despite plans to abolish the death penalty. (Reuters)

Canal deaths

Cairo: Seven women and five children died when the truck they were travelling in plunged into a canal near the Nile delta town of Marsa Matruh. The children had just been vaccinated at a hospital. (AP)

Cheeky pupils

Kuala Lumpur: State religious officers in Malaysia's northern Perak state are investigating a report that schoolgirls are offering their cheeks to be caressed for \$0p, a local paper said. (Reuters)

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Thai economy in disarray as finance 'dream team' quits

FROM ANDREW DRUMMOND IN BANGKOK

THAILAND'S tiger economy, already in jeopardy from mismanagement, was in disarray last night after the country's self-styled economic "dream team" resigned from their posts.

Amnuay Viravan, the Finance Minister, handed his resignation in yesterday morning and his protégé, Narongchai Akaraseranee, the Commerce Minister, soon followed.

Mr Amnuay, who on Tuesday had austerity measures rejected by the Cabinet, said shortly after his resignation: "I do not want to work in an environment of conflict, which is not good for the political stability of the country." He is perhaps the most respected member of the Cabinet in the eyes of foreign investors and his resignation in itself affected

confidence in Thailand's stability.

The stock market slumped by almost 4 per cent, to close at 465, its lowest close since 1989. In the boom years up to 1994 the stock exchange almost touched 1,800. The country's currency, the baht, dropped to its weakest level against the US dollar in 12 years.

The economy, which was predicted to be bigger than Britain's by 2015, has been hit with a crisis never experienced before. The economy has been growing by nearly 10 per cent a year for a decade, but this year growth is expected to be negligible and possibly negative.

The country has been struck in much the same way as Britain was in the late 1980s. Rash over-investment and speculation produced a prop-

erty bubble that burst last year, leaving the finance and banking companies with huge amounts of bad loans.

Since speculators attacked the baht earlier this month, Thailand has been running a dual currency system. It joins China, Burma and North Korea as the only countries in East Asia where the domestic exchange rate differs from the international rate.

In what appears a desperate move, General Chavalit Yongchaiyudh, the Prime Minister, has temporarily appointed himself as the new Finance Minister. General Chavalit has admitted in the past that he knows little about economics. Several hours later, however, he appointed Thawatwong na Chiang Mai, the Deputy Finance Minister, to replace Mr Amnuay.

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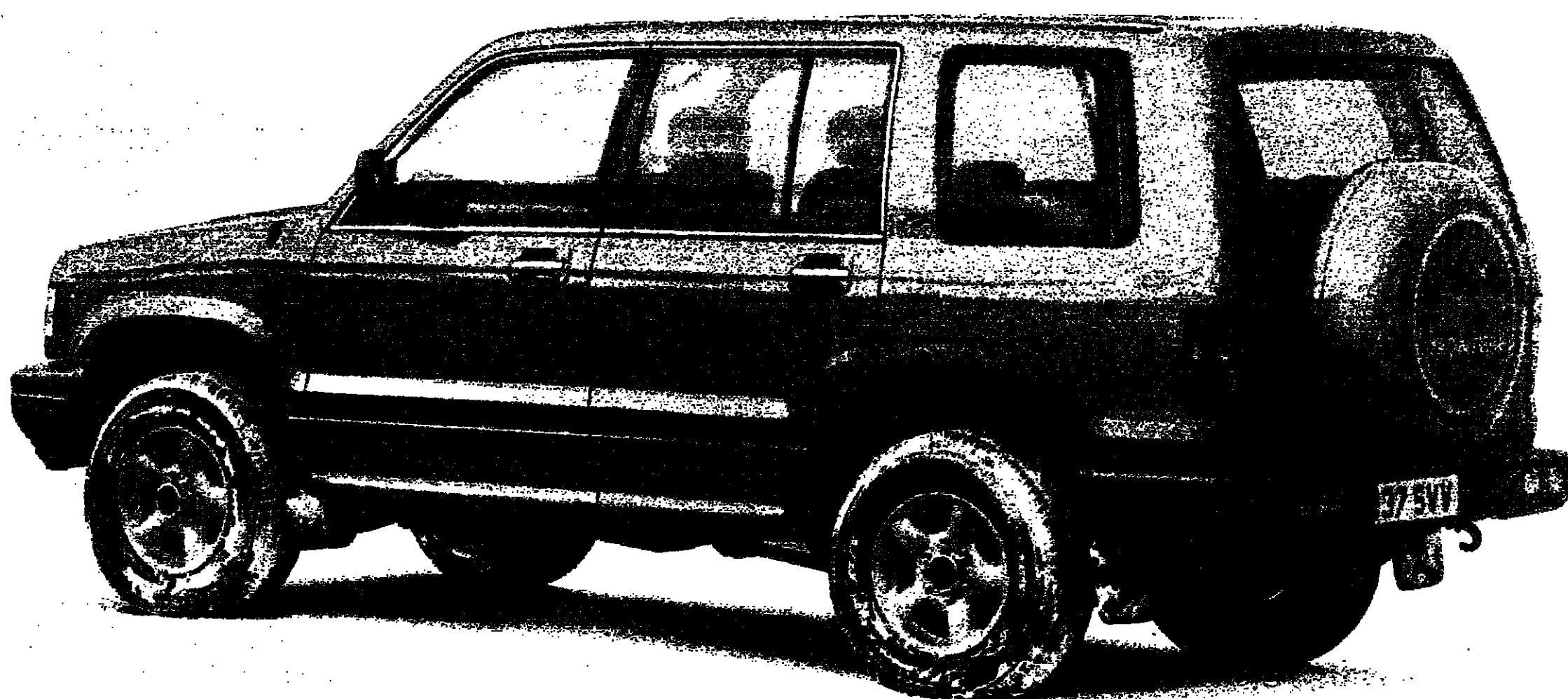
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Russia looks on as Denver summit flaunts success of the West

President Clinton knew what he was doing when he picked Denver as the site of the Summit of the Eight, which opens today.

It was not just the frontier spirit of Lyle Lovett and other country music stars, who will perform to the leaders of the industrialised world tomorrow night. Denver is a symbol of post-Cold War prosperity, electronics firms mushrooming as its military plants for nuclear warheads and sarin gas are dismantled. It is an apt backdrop for the themes which Mr Clinton hopes will inspire the three-day meeting: the final obituary of communism; the triumph of the



AMERICAN
AGENDA
BRONWEN
MADDOX

policies pursued by America and Britain; and the promotion of democracy and human rights. Two things give this

year's summit between the big industrial democracies a different flavour from those of the past 22 years.

The rude health of the British and American economies will allow Tony Blair and Mr Clinton to tower over their counterparts at Denver in promoting their views. In contrast, the formal inclusion of Russia for the first time will hugely complicate the debate; it may prove a step members rapidly regret.

The annual meeting of the United States, Britain, Japan, France, Germany, Italy, Canada — previously called the G7 — is designed to allow leaders to talk informally about economic, social and

political problems. Certainly, critics will find ammunition in this year's agenda to argue that the \$32,000 (£19,500) Denver has spent on chairs for participants is wasted.

There is a new resolution on terrorism, containing little new; words of encouragement for democracy in Africa, but not much money; and a reaffirmation of the principles of the 1992 Rio Earth Summit, but no sense of how its ever more elusive targets might be reached. But most attacks are too harsh; the summit has sometimes produced real change.

The 1986 meeting led to the Uruguay Round of trade talks and, albeit eight years later, to

the World Trade Organisation and a dismantling of worldwide trade barriers. This year, the common predicament of trying to reconcile voters to the implications of global markets and ageing populations is likely to give the discussion a new edge.

For America and Britain, enjoying low unemployment and inflation, Denver is a showcase for laissez-faire economics, loosely regulated labour markets and political centrism. In announcing a jobs summit for industrial countries next year in Britain, they have trumpeted their conviction that their model works best. In contrast,

Germany, France and Italy have double-digit unemployment. They arrive at Denver bruised from the just concluded Amsterdam summit at which their plans for European economic and monetary union partially unravelled. Canada is constrained by its gaping public sector deficit. Japan is still suffering the effects of its banking crisis.

Whether those countries can persuade voters that government spending and employee benefits need to be restrained remains to be seen. Recent elections in France and Canada have driven home the point that governments recommending austerity at a time of high unemployment

may be heading for trouble. The inclusion of Russia looks to some like an indulgence by Washington and possibly a serious miscalculation. The presence of President Yeltsin is widely seen as America's reward for his grudging acquiescence to the eastward expansion of the North Atlantic Treaty Organisation. He will be left on the sidelines tomorrow morning as the others fashion their economic policy statement, but will sign the final communiqué.

Yet there will be constant reminders in the next three days that Russia, now in its seventh straight year of decline, fails the usual economic and political criteria for mem-

bership. In debates on exchange rates and international trade policy, its views are irrelevant. In discussion of strategy towards China, Hong Kong, Iran and more generally on defence and human rights, its presence may be positively damaging.

This weekend will be the most ideologically-charged summit for years, and judging by the agenda, the least concerned with economic details. It is also likely to be one of the most optimistic in tone. Despite the inescapable problems which all eight countries still face, the Denver agenda does carry the message that there is such as thing as a recipe for success.

Security and jobs take centre stage as 'G8' talks open

FROM MICHAEL BINYON IN DENVER

WORLD leaders arrived in Denver, Colorado, yesterday for their annual summit in which Russia is participating as a full member for the first time. The main issues they will discuss for the next three days are job creation, world security and how to prevent conflict erupting again in Bosnia.

President Clinton, basking in the role of elder statesman, greeted leaders as they arrived in this Rocky Mountain city, eager to secure their renewed commitment to trade liberalisation, regional stability and increased efforts to fight drugs, terrorism and infectious disease.

President Yeltsin, in apparent good health, was due to arrive yesterday evening straight from fierce argument in the Duma over the forthcoming budget. He will be warmly welcomed by the other seven leaders at this re-named "Summit of Eight". Russia has been given full membership as part of the Western reward for his acceptance of a Russia-Nato agreement that allowed Nato enlargement to go ahead.

Two leaders will arrive today: President Chirac and Tony Blair. The Europeans

have already had an extensive summit view of the new British leader, but it will be the first chance for Mr Blair to meet the Canadian and Japanese Prime Ministers. They, like the Europeans, are eager to see how much new flexibility the Labour leader and Gordon Brown, his Chancellor, will bring to world economic affairs.

Mr Clinton was due to give an opening speech yesterday trumpeting the strength of the American economy. This has been taken by some as an implicit warning to Japan not to take advantage of America's openness to relaunch the Japanese economy on an export drive targeted at America. Mr Clinton is aware of the fierce domestic resistance to higher Japanese imports, and wants Japan to do more to boost its own consumer spending.

Previous G7 summits have focused on the fighting in Bosnia and this will be on the agenda again. The Europeans have been trying to convince Mr Clinton that American troops will still be needed after next year's deadline if a return to war is to be avoided. The Administration wants to persuade the Europeans to move quickly to create stability in

Bosnia — by training and equipping local police forces, for example — so that withdrawal can go ahead on time. Mr Clinton also wants to increase pressure on Muslim, Serb and Croat leaders, and especially on President Tudjman of Croatia, to allow the return of all refugees. The US also wants greater international effort to seize indicted war criminals, including Radovan Karadzic, the former Bosnian Serb leader, and take them to The Hague to face charges. That last point may be difficult if President Yeltsin repeats Russia's traditional defence of its Serb allies.

Other international issues will include a review of the continuing tough line against Iraq and renewed American attempts to persuade Europe to join it in isolating Iran. China may come up in discussion, though probably there will be no formal endorsement of the tough line taken by Britain and America in boycotting the swearing-in of the Provisional Legislature in Hong Kong. Mr Clinton wants to avoid any tough statement that could jeopardise passage in Congress of his decision to renew Beijing's trade privileges.



Emilia Montoya weeps just before the execution of her son, Irineo, in a Texas jail

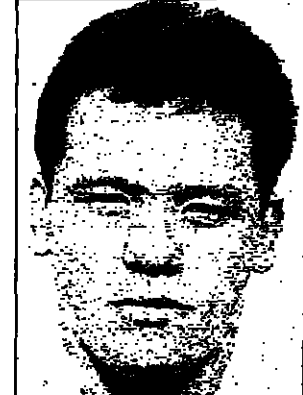
Protests fail to halt Mexican's execution

New York: Protesters gathered at Mexico's border with Texas yesterday to condemn the execution of Irineo Montoya, a semi-literate Mexican convicted of murdering a Texan motorist who offered him a lift (Tunku Varadarajan writes).

Montoya, 30, was administered a lethal injection on Wednesday night at Brownsville prison.

He became a cause célèbre in Mexico with José Angel Gurria, the country's Foreign Minister, appealing repeatedly to George W. Bush, the Texas Governor, to spare him on humanitarian grounds.

Campaigns were held in Mexico, which does not have the death penalty, to try to halt the execution — the third in Texas in three days, and the twenty-fourth this year.



Montoya: case became cause célèbre in Mexico

Sacrifices 'led to early map of the heart'

FROM TUNKU VARADARAJAN IN NEW YORK

THE oldest accurate depiction of the human heart was made not by Andreas Vesalius, the 16th-century Flemish physician, but by the ancient Olmec people of Mexico, an American scientist has argued.

According to Gordon Bendersky, a professor at the Hahnemann School of Medicine and research fellow at the University of Pennsylvania, a ceramic heart-shaped effigy vessel, dated between 900 BC and 1200 BC, is the earliest known "anatomical configuration" of the human heart.

Writing in the latest issue of *Perspectives in Biology and Medicine*, Dr Bendersky attributes the Olmec familiarity with the human heart to their penchant for "sacred violence", in which the hearts of live victims were torn from the body and offered to the gods.

The Olmec effigy, which depicts the pulmonary artery, the aorta, the superior vena cava, the interventricular sulcus and two ventricles, predates Vesalius's drawings by about 2,500 years.

Vesalius, who helped to lay the foundations of modern anatomy, published his *De Humani Corporis Fabrica* in 1543. Until now, his diagrams of the heart have been accepted as offering the earliest scientific portrayals of the "coronary map".

Boy's find enhances dinosaur theory

FROM GILES WHITTELL IN LOS ANGELES

A BOY, aged three, obsessed with dinosaurs after seeing a film about them, has found a dinosaur egg so old that it is changing scientific theories about the Jurassic age.

David Shiffler, now four, was digging with a toy trowel during a family camping trip in the New Mexico desert, west of Albuquerque, when he came on a green rock fragment which he confidently told his father was a dinosaur egg. "Everything he picked up that day was a dinosaur egg," said Don Shiffler, who had just taken him to see *The Land Before Time*, a cartoon about children who encounter dinosaurs on their journey to safety in the mythical Great Valley.

The fossil languished for two months in the family's garage. At David's insistence Mr Shiffler sent it for expert analysis. Palaeontologists in Colorado identified it as part of a hard-shelled, meat-eating dinosaur's egg, about 150 million years old.

The Shiffler egg is more than twice as old as the next oldest carnivorous, or theropod, dinosaur's egg found in North America, according to Emily Bray, of the University of Colorado. It provides valuable evidence that theropods existed in the Jurassic as well as the Cretaceous period.



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Animal rights groups angered by Tokyo's failure to heed warnings

Japan condemned for slow death of two killer whales

FROM ROBERT WHYMANT IN TOKYO

ANIMAL rights activists yesterday accused the Japanese Government of a brutal disregard for wildlife after the slow deaths of two orcas, or killer whales, in captivity.

The deaths of the whales, after a five-month campaign for their release, is expected to provoke an angry response from animal protection groups around the world. Environmentalists had repeatedly warned Japan that orcas are unsuited to theme parks, and that records of orcas kept in captivity show they quickly deteriorate and survive for only a fraction of their normal lifespan.

"I'm sad and filled with anger, but this is exactly what we thought would happen sooner or later," said Yukari Tsuruki, spokeswoman of the Dolphin and Whale Action Network in Tokyo, which first alerted the world to their plight.

The furore began when Japanese fishermen, seeking profit, captured ten killer whales in February near the whaling village of Taiji in central Japan. Half were released, but five were sold for the equivalent of £162,000 each to three marine parks

which saw the orcas — extinct in Japan and seldom found as transients in Japanese waters — as a money-spinning attraction.

Catching killer whales is banned under the Convention on International Trade in Endangered Species (Cites), but Japan's Fisheries Agency allowed the whales to be kept "for breeding and research purposes". Animal rights groups said this was simply a pretext to sanction a business deal, and that the real purpose was to train the whales for public performances.

International condemnation came swiftly. Prime Minister Ryutaro Hashimoto's office was inundated with thousands of faxes, including one from the Brigitte Bardot Foundation, protesting at Japan's violation of international law.

But the Government took no action, and the five orcas languished in their theme parks — three in the Adventure World in Wakayama, one in the Sea Paradise in Izu, and one in the Taiji Town Whale Museum.

Earlier this month Dr Paul Spong, a whale expert from Canada, visited the parks and found several of the orcas

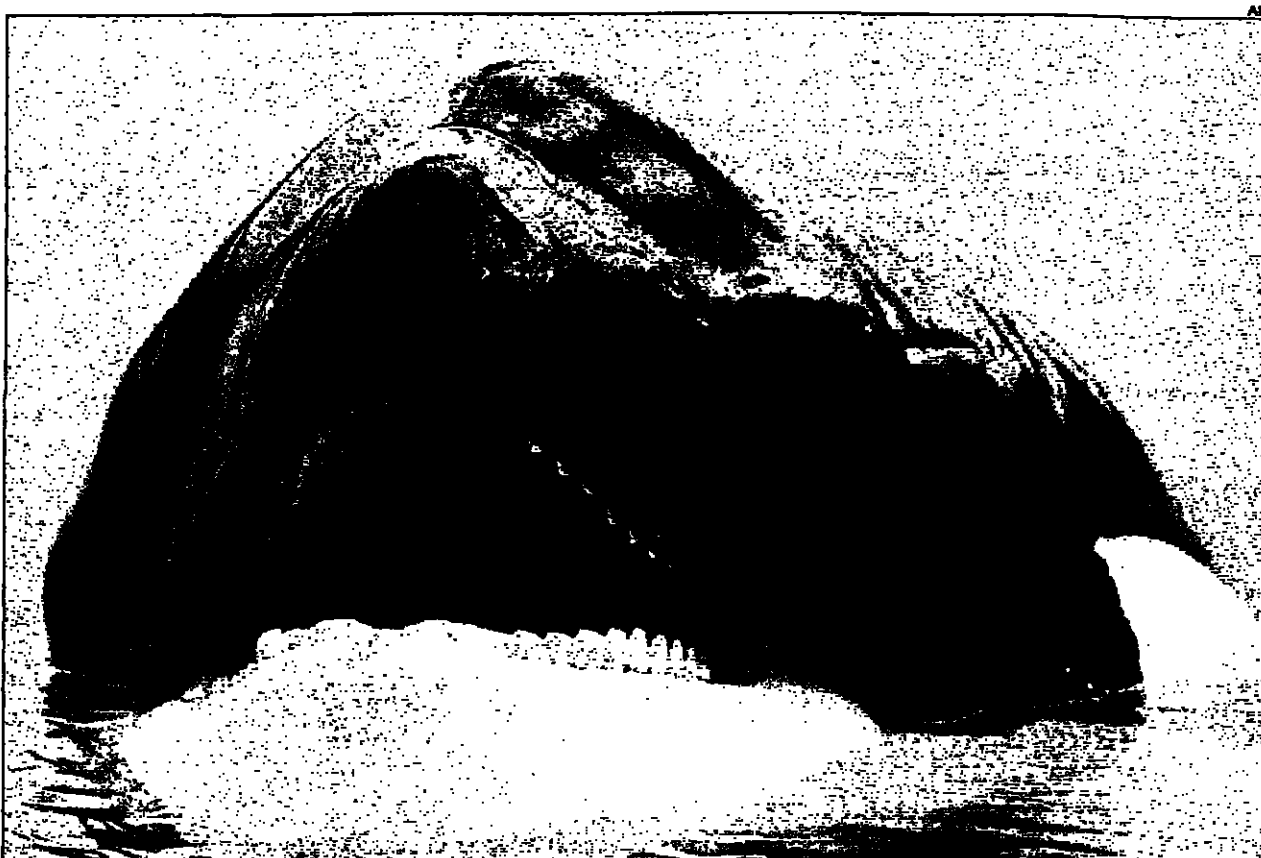
close to starvation — their blowholes had sunk in as fatty tissue disappeared — and being force-fed by their keepers.

"The orcas went on hunger strike — they lost the will to live," Dr Spong said. "There were no vets who knew anything about whales."

The Dolphin and Whale Action Network said yesterday that the youngest of the five, a two- or three-year-old male, died on Saturday. A female reported to be pregnant when captured and which may have miscarried in April died on Tuesday. Local fisheries officials confirmed that two orcas died at the Wakayama theme park.

"The aquarium tied her with ropes and forced her mouth open to push in frozen fish, but she just refused to eat, and became weaker and weaker," said Ms Tsuruki of the death of the female. In the wild, seals and sea-lions form staples of the orca's diet.

Animal rights groups have called on the aquarium and the Government to provide details of how the orcas died, but they fear it may already be too late to save the surviving three.



A killer whale at a Newport, Oregon aquarium. Captive orcas deteriorate rapidly, with a dramatically reduced lifespan

African states to resume ivory sales

FROM JAN RAATH IN HARARE

AFRICAN delegates cheered and sang yesterday after the Convention on International Trade in Endangered Species (Cites) decided on a cautious resumption of the international ivory trade.

As ballots on proposals to allow the sale of "experimental quotas" of ivory obtained the two-thirds majority needed,

several African delegates rose to their feet and sang *Nkosi Sikelel' Afrika*, Southern Africa's hymn of liberation.

The chief proposal, a set of rigorous conditions imposed on ivory trading, received 76 votes in favour and 21 against it. Motions to allow Zimbabwe, Namibia and Botswana to ship a combined total of 59 tonnes of ivory to Japan by early 1999 were passed by almost identical margins. The new ruling imposes an 18-month

moratorium on ivory exports by the three countries while independent international authorities are set up to monitor the ivory trade and poaching.

Revenue from the exports have to be ploughed back into elephant conservation programmes. If elephant poaching resumes, or smuggling increases, or any of the three countries violates the conditions, Cites will shut down trade in the affected country.

Mandela 'to cut arms budget'

FROM SAM KILEY IN JOHANNESBURG

SOUTH AFRICA'S arms industry, which flourished despite an embargo during the apartheid era, faces cuts that could cost 50,000 jobs and hundreds of millions of dollars in export earnings.

According to sources in the industry sources and Ministry of Defence, President Mandela's Cabinet will soon consider proposals to cut £100 million from the £1.3 billion defence allocation, and cancel orders for locally developed helicopter gunships and air-to-air missiles.

The move would free cash for housing and education, but industry sources feared job losses.

The first contract to be cancelled is likely to be an order for a squadron of Rooivalk (Redhawk) helicopters which the British Army recently considered buying.

The cuts could, however, solve the diplomatic row with America and Israel over government plans to sell Syria a computerised tank-aiming mechanism developed with Israeli help.



Mandela: move could solve diplomatic row

Israeli coalition rebels want early poll

FROM CHRISTOPHER WALKER IN JERUSALEM

ISRAEL was plunged into a new political crisis yesterday after the resignation of Dan Meridor, the popular Israeli Finance Minister, triggered calls from within the ruling coalition for early elections and a revolt against Benjamin Netanyahu, the Prime Minister, grew inside his Likud Party.

The two biggest selling Tel Aviv newspapers devoted between 23 pages to the upheaval and Moshe Katsav, the Deputy Prime Minister, told Israel radio: "Today the

situation is that anyone leaving, or any shake-up in a party that is a partner in the coalition, could lead to the fall of the Government."

The test of Mr Netanyahu's 66-54 parliamentary majority will come next Tuesday when the left-wing Opposition has tabled a no-confidence motion and a separate motion to dissolve the Knesset. Ehud Barak, the Labour leader who is not yet a month in his post, said that the prospects of success were now "much more than wishful thinking".

Mr Netanyahu, 47, who has survived more than his fair share of political dramas in his first turbulent year in office, maintained that his Government, which is not due to face an election until 2000, would hold. "The coalition is stable," he said. "I do not think we are going to undergo the convulsions predicted for us every time we have to overcome particular difficulties."

Despite his brave face, there were signs that by provoking the exit of Mr Meridor, a Likud rival noted for his

personal integrity, the Prime Minister may have triggered worsening domestic political strife at the very moment when the Middle East peace process is also in crisis.

Inside Likud, David Reem, a backbencher, said he would be launching a campaign next week for a new leader. Senior figures such as Yitzhak Shamir, the former Likud Prime Minister, have voiced support for such a move. Mr Meridor has hinted that he may be absent from the confidence vote.

Police fire teargas at students in Kenya protest

FROM ASSOCIATED PRESS IN NAIROBI

POLICE swinging wooden clubs and firing teargas halted a student march to parliament yesterday, blocking efforts to support legislators campaigning for more freedom in Kenya.

Trouble at the main campus of the University of Nairobi started after the state-owned Kenya Broadcasting Corporation halted live radio and television transmission of legislators heckling Musalia Mudavadi, the Finance Minister, as he presented the national budget.

Opposition legislators repeatedly interrupted the minister, waving placards and demanding constitutional reforms before the general elections later this year.

Soon after the broadcast stopped, the students began moving to the town centre, stoning motorists and police. Paramilitary police charged repeatedly with wooden clubs and teargas.

Scuffles broke out on the parliament floor as well when an opposition legislator attempted to break an elaborate staff which is placed on a table in front of the speaker as a symbol of parliamentary authority.

Members of President Moi's ruling Kenya African National Union party thwarted the attack. The President, an elected member of parliament, was present at the session when at least seven opposition legislators were ordered to leave.

Opposition legislators told journalists on Wednesday there would be no budget speech without reforms of repressive colonial-era regulations. They say the Government uses the old laws to stop them from holding public meetings and to detain people without charge.

UN accused: The United Nations Development Agency ignored or played down abuses by the Kenyan Government against many of the 300,000 people displaced by ethnic violence before the 1992 elections, the London-based Human Rights Watch/Africa reported. (Reuters)

FROM THE BEST-SELLING AUTHOR OF "THE FIRM" "THE CLIENT" & "A TIME TO KILL"

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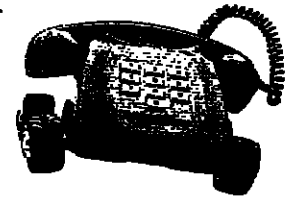
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Nationwide Capitalbuilder 90 Day	4.20% ²	4.50%	4.80%	5.10%	5.40%	5.40%
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Troubled waters: a poacher lands an illegally caught sturgeon. An entire economy has grown up consisting of thousands of people involved in poaching, smuggling and selling caviare

Rise of the caviare mafia

Edik dipped his hands into the grey-green waters of the Volga, carefully working his way along a string of large and vicious-looking hooks until he spotted his prey emerging from the depths of the riverbed.

Checking to make sure that no police patrol was approaching, the poacher clasped the giant, prehistoric fish in both hands and heaved its beautiful black and white-speckled body into his rowing boat.

The fish, a 4ft sevruka sturgeon with a long, upturned nose and elegant whiskers, thrashed around in the bottom of the boat as Edik rowed quickly to the riverbank where his wife was waiting to hide the evidence and remove

As the Caspian sturgeon is added to the growing list of endangered species, Richard Beeston reports on the crime wave that threatens it with extinction

the precious caviare. "The police were here yesterday, but unless they catch me with the fish, there is nothing they can do," says the unemployed former student, who lives in an abandoned holiday camp just north of Astrakhan, above the vast Volga delta. That morning he caught two fish, landing about 5kg of fertilised fish eggs.

Fresh from the sturgeon, the grey caviare has a taste unlike any other. Fresh, creamy and clean on the palate, it is easy to understand why the delicacy is in huge demand and why poachers risk stiff fines and

imprisonment to obtain it. The poacher can expect to sell his day's haul for £30 a kilogram — more than a month's salary for most of Astrakhan's citizens. By the time the caviare has reached Moscow, the price will have doubled to £60. In London, the same quantity of sevruka sells for £600, the cheapest of various caviars on the market.

In the chaos of post-communist Russia, warnings by environmentalists that the sturgeon could face extinction by overfishing have gone largely unheeded because an entire economy has grown up consisting of thousands of people involved in poaching, smuggling and selling caviare.

"Ten years ago our nets were full of sturgeon," says Sasha Baikulyanov, a veteran fisherman at a state fish farm, looking at his morning's catch with disgust. "Now I would not even qualify what we do here as fishing. We are lucky if we land three or four sturgeon. They are being killed off by man's greed and the mafia."

His dim prognosis is shared by the World Wide Fund for Nature, which claims that the number of adult fish in the Caspian has fallen from 142 million in 1978 to 40 million today. Unless measures are taken to protect the sea's sturgeon, it predicts that they could be extinct in 20 years.

The species has lived largely unaltered in these waters for 250 million years and has been famed for its caviare since antiquity, when the delicacy was extolled by Herodotus and Aristotle. When the stur-

geon still swam in British waters, Edward II declared it a royal fish.

But it will require more than noble ancestry to survive man's onslaught this century. Stalin was the first to disturb the sturgeon's migration habits when he built a series of hydroelectric dams along the Volga, which reduced the water flow and made spawning



In demand: Russian caviare

more difficult. Under Soviet authority, the fish was again threatened by the pollution from large industries upstream.

But the real challenge has come since the collapse of the former Soviet Union. Ironically, the end of the police state and the liberalisation of the economy suddenly made it possible for widespread poaching and smuggling, with officials paid large bribes not to disrupt the lucrative trade.

The only Caspian nation that has managed to conserve its stocks and keep a lid on smuggling is Iran, where the

industry remains a state monopoly and poachers face harsh treatment by the Islamic authorities. When Russia tried to reimpose its authority, the mafia turned out to be stronger. In one infamous incident last year, 54 Russian border guards and their relatives were killed in a huge bomb attack in the neighbouring Russian republic of Dagestan after the authorities attempted to crack down on the local caviare mafia.

Yekaterina, a caviare smuggler and aspirant mafia boss, says that she travels to Moscow every fortnight with as much as 30kg of caviare, which she sells to everyone from top officials to restaurateurs.

"I know I run a risk every time I travel, but I buy my insurance by paying off officials and the police," she says with a cynical smirk. "When I hear talk about the Duma (parliament) taking action to stop smuggling and poaching, I just laugh. Some of my best clients are deputies."

As a single mother living in an economically depressed region of Russia, she sees nothing wrong with carrying on a trade which was established centuries ago, before the Communists turned the business into a state monopoly.

Most of the people in Astrakhan say that the real threat to the survival of the fish comes from their neighbours, the newly independent republics of Turkmenistan, Kazakhstan and Azerbaijan, formerly members of the Soviet Union. Although they share a coastline along the Caspian Sea, sturgeon spawn only in Russia's Volga and Ural rivers. All

other fish caught off the coasts of the new republics and Iran are by their very nature immature. Considering that it takes ten years for a sevruka to mature, and nearly twice as long for the giant beluga, the sturgeon faces a real threat of extermination unless the young fish can be protected to maturity.

We have recently opened a fish hatchery where we can protect the fish for a few years before releasing them into the river," says Vladimir Ivanov, director of the Caspian Fisheries Research Institute. "But the programme will succeed only if the fish are protected while they mature at sea. We can only save the sturgeon if we co-operate with each other."

While the Caspian Sea nations blame each other, the international community is belatedly taking steps to protect the fish. On Wednesday night, the Convention on International Trade in Endangered Species (Cites) voted in Harare, Zimbabwe, to place all 27 of the world's species of sturgeon on the protected list. Starting in three months, trade in all five of the Caspian Sea's sturgeon will be regulated, with tougher checks on imports and exports of sturgeon meat and caviare. In particular, it is hoped that the illegal export routes via Turkey and the United Arab Emirates will be closed.

On the banks of the Volga, however, the international action is unlikely to affect the poachers or the smugglers, who have been making their living from the mighty fish for centuries. Some involved in the illegal trade speculate that controls may help to push prices up and make their business even more lucrative.

Why scared men have to tell fat lies

There's only one answer to a tricky question, says Dave Wilson

A lively debate has started about how to answer a crucial question. It is a question women ask their men, and a wrongly judged reply can lead to a fight.

The question is: "Do you think this makes me look fat?"

Nineties Man is stumped, unsure whether this is a challenge to his fashion sense, or if something more personal is being addressed.

The question is often disguised in other versions: "Do you think this is the right shape for me?" Sometimes it is not phrased as a question at all. "Oh, I've put on so much weight." Silence. Or even: "It takes me so much longer to get ready these days." An answer is still required. There seem to be three basic options.

The first was identified recently by *Men's Health* magazine, which usually urges its readers to face all life's challenges head-on. In this case, it simply recommended lying. Concluding that many questions asked by modern women ultimately mean "Do I look fat?", it said that in every case the answer should be a firm "No".

The opposing viewpoint was made in a reader's letter in the June edition. John Mountney of Sheffield wrote: "One should reply 'Yes' if she does and 'No' if she doesn't... If, however, after you express your honest opinion, she goes thermonuclear on you and things get out of hand, well, who wants to date a fat chick anyway?"

Most men say that they seek a middle way, trying to escape the subject: "Mmmm, not really." "I hadn't noticed — by the way, have you seen my other sock?" "Darling, I plan to love you when you are old and grey, so a few extra pounds wouldn't matter."

These can have a high failure rate, especially if the 24-hour trick is brought into play, where a man is challenged about something he said the previous day and he cannot remember his exact words or, more crucially,

the tone of his voice. This may be a short step to being accused of not noticing/fancying/loving any more. And he was only trying to be nice.

Men do ask image questions of their own. Or rather, non-questions: "I'm not feeling so great" (translation: Do you think I might be dying?). "Last night was wonderful" (Was that all right for you?).

But it also has to be said that women are allowed to be much more publicly brutal about their partners' appearance. Listen to wives with their partners in any menswear department: "Oh, you can't wear that. What an awful colour. I'm not going out with you if you're dressed like that."

So it is just possible that when a woman asks the fat

question, she has already answered it in her own mind, and has been equally brutal to herself — assisted by the ravings of weight-obsessed women's magazine writers. Faced with this, it seems no man stands a chance with his own answer.

But wait. There might just be another option, a way to sound interested and avoid any blame. Use the trick traditionally employed by philosophers, counsellors and hairdressers — reply to any difficult question with another question: "What do you mean, exactly?" "What are you really looking for?" "Why do you think that?"

However, it may all be too late to settle the too late debate. Weight obsession is now spreading widely among men. The June issue of *Men's Health* also offered a "last-chance workout" for its readers to look well-defined and handsome on the beach. Flabbies were urged to "define your muscles".

Goodbye, carefree summers. Now, at least, both sexes can grow insecure together. As it happens, I am one of those people who can eat almost anything without putting on an ounce. But I was wondering: do you think this means I might look, er, skinny?

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Labour needs a genius of the constitution

Reformers may be running out of steam, says John Lloyd

Ambivalent in so much, new Labour is profoundly ambivalent about the British constitution. As a palimpsest — of old Labour attitudes, Thatcherism, business school precepts, communitarian and religious morality, all delicately layered with a residual Marxist revisionism — the Government is tugged this way and that.

It contains within it those who see new Labour as new in nothing so much as its potential to renovate wholly the grimy, creaking machine of government procedure. It also contains those who see new Labour's genius as its ability to interleave the traditional and the modernising in an exquisite blend which will enhance strengths while sluicing away the detritus of corruption and privilege.

The first one might call the simple modernisers. The second are the post-modernisers. The modernisers believe that more transparent and rational systems of parliamentary, electoral and representative procedures are indispensable to a renewal of voters' trust — and participation — in government. The post-modernisers accept part of this, and indeed often use the rhetoric — but wish to ring-fence such large areas as the monarchy, the method of election of MPs and the supremacy of Parliament over laws.

In this relatively plastic period the alarmed conviction is growing in the minds of the constitutional modernisers that their colleagues are working quietly to put barriers and flashing red lights across many of the highways leading to radical reform. Change, they believe, will soon be limited to areas where an irrevocable commitment has been made — as Scots devolution — or where the change can be represented as both modernising and popular — as the ending of the right of hereditary peers to vote on legislation.

Part of the problem is that there is no one Constitutional Czar: no Cabinet minister who carries the constitutional portfolio. Indeed, the minister who carries no portfolio but much weight, Peter Mandelson, has in a review of Vernon Bogdanor's *Power and the People* in the *Sunday Times* drawn a line in the sand on constitutional change — commending Lords reform and Scots devolution, but "remaining unconvinced" of a system of proportional representation because "there is no greater link between politicians and the public than the link between MP and constituents."

In this he differs from Robin Cook, the Foreign Secretary, who of all the senior Cabinet ministers has the longest commitment to electoral reform, but whose departmental brief excludes him from day-to-day work on the subject.

Several of Mr Cook's colleagues with less enthusiasm for this part of the project than him, do have a direct interest. Jack Straw, the Home Secretary, is presently meant to be putting together a commission to examine what type of system should replace first past the post. Lord Irvine of Lairg, the Lord Chancellor, has a general oversight of constitutional matters. Donald Dewar is consumed with Scottish

devolution: and Ron Davies in Wales will soon discover how much the Welsh want devolution this time, having refused nearly 20 years ago. Ann Taylor, the Leader of the House, has some sensible plans for changing the way Parliament works.

No one ties these disparate but connected areas together — except for Tony Blair himself. Mr Blair is required to give impetus to an overall drive for reform: signals from his office that interest was waning, or that the undoubted difficulties in securing anything more than the agenda outlined by Mandelson were proving too great, would see infinite delay.

The White Paper on devolution will be out in a month, and the struggle will begin over the planned referendums on the Scottish parliament and its tax raising powers. Lords reform has been put off for a bit. But sometime this summer, perhaps, a committee must be chosen to discuss electoral reform. Robert MacLennan, the senior Liberal Democrat MP who co-chaired the pre-election committee with Robin Cook which produced an agreement between their two parties on the need for electoral reform, believes there is still enough steam, and prime ministerial commitment, to keep the drive going. Others in the Prime Minister's own party are less sure.

In an interview with the *New Statesman* last week, Mr Cook doubted that the next European parliamentary elections — in 1999 — could be fought under a PR system, even though it is party policy that it be so. "The legislation would take time. There is intense competition for time on the Commons floor." If an agreed change for non-Westminster elections is already being pushed back, is there really sufficient commitment to wider reform to give the constitutional radicals hope?

Thinkers of every political colouring — the conservative Ferdinand Mount, the liberal Vernon Bogdanor, the Labour MP Tony Wright — have all called for the widest change on the grounds of fairness, coherence and rejuvenation of the system. The principled argument appears won. But what might be called the unprincipled arguments — our MPs won't like it because it might threaten some of their seats; the system would force us to share power with another party; above all, the current system gave us this huge majority on a minority of the vote — carry a subterranean charge. Nor does this side of the argument wholly lack principles: the constituency link is not lightly to be damaged, and coalition governments in other countries have their downsides.

The modernists' pessimism is premature: there is still no clear sign that constitutional change beyond the Lords and Scotland will be halted. But the post-modernists, allied to the conservatives, "remain unconvinced" that a system which reflects the popular will more transparently serves the popular good more efficiently. The battle is to come.

John Lloyd is associate editor of the *New Statesman*.



LADIES DAY

What are the Tories for?

William Hague's triumph won't banish the Conservatives' nightmare: that new Labour has just made them redundant

The Tory leadership contest is behind us at last. It has been a macabre entertainment for lobby correspondents, sketchwriters and political insomniacs: a sort of gruesome dance, perhaps a dance of death. But with one struggle over, another has only begun. This is the fight not for the leadership of the party, but for the life of the thing led. I believe the party may be fighting not to win the next election, but for its very existence. The darkest hour, they say, is not necessarily just before the dawn: it may be just before it goes completely black.

In no way is that meant as a comment on the choice of William Hague as leader. His outstanding abilities will grow in office. No, the hour would be as dark had Ken Clarke been chosen as leader yesterday. John Redwood or Peter Lilley could not, as leader, have dispelled the gloom: Michael Howard would have been as benighted as the rest. The Tory front bench will be diminished without Ken Clarke, for whose talent many Conservatives have huge admiration. But none of these men — not Hague, not Clarke, not Redwood nor Howard nor Lilley — by their presence makes the picture brighter.

They are not the problem. The parliamentary party, disgracefully though it often behaves, is not the problem. The Tories have just completed an 18-year run which must rank among the most magnificent achievements in government of any party this century. Their successes were legion, their reforms irreversible and the change they have wrought to our national culture inestimable. Contrary to the now fashionable nostrum that the Tories brought about their own downfall last month, it is neither their past record, nor their leadership then or now — neither their beliefs nor their practices — which so darken the outlook for them today.

It's the Labour Party, stupid. For the first time since 1945, British voters have a party they can vote for which looks committed to the free market and to opportunity and which is not the Tories. Tony Blair has shaken off that statist, Orwellian aura which dogged even modernisers like Harold Wilson. The English, in particular, do not mind government but they hate the State. Now people sense they can vote Labour without voting for what the Tories called "the dead hand of the State". It is as if a blast of fresh air had billowed through the Labour

Party. This may pass. The change may be more apparent than real. We do not yet know. But that there seems to have been an astonishing change is undeniable. Millions of voters believe it. That is why they thought it safe to turf the Tories out. The switch did not so much reflect a recent dislike of the Tories, as an ancient hatred of them — now made safe by Mr Blair.

The shock the Conservative Party cannot quite absorb — the lesson that has still to be drilled into their heads — is therefore very different from that suggested by all the editorial finger-wagging of recent weeks. From prime ministerial dispatch box and episcopal pulpit to tabloid opinion column, the message to the Tories, though expressed in a thousand ways, has been the same: "You screwed up." But the true message is far more worrying: "You were fine. However, there may no longer be any need for you."

Of course it is not pleasant to be told one has screwed up, but nor is it the end of the world. The advice can be turned to good account. One asks where and how one screwed up, and resolves to amend one's ways. If so then this, their darkest hour, could precede their dawn. If it was all their fault, then it is in their power to put that right. But what if...?

The question arose on a late-night discussion programme, *After Hours*, on Radio 5 Live, in which I participated the other evening. Vincent Hannah chairs this with light but deft hand. For the five or so participants the conversation can be gripping. I doubt whether anyone can be listening between midnight and 2am, so it is really very good of the BBC to organise these occasions, with sandwiches, for our benefit.

We were discussing the future of the Conservative Party. We were all, by profession or inclination, Conservatives. Angela Browning, MP — no faintheart, as all who watched her at the dispatch box when she was a

minister will know — ventured an unsettling thought. It was commonplace among Tories to remark, she said, that May 1, 1997, was the low point of their party's fortunes. This was the trough, the bottom of the cycle. From here it could only be up. According to this wisdom, she said, seats which turned marginal Labour last month should be easy targets for the Tories next time. Voters in Enfield, Shipley, Worcester or Watford would surely return to their natural Tory fold. We might not assume that the Conservatives would actually win at the next election, but it would be very odd if they did not claw their way some distance out of the pit. Mrs Browning and I thought — I suspect all of us round the table did — that this reasoning was dangerous.

Wrong. Anyone who followed the campaign trails in April knows there are voters out there who did not vote for Mr Blair because they believed Mr Major's warnings that he might turn out to be a socialist after all. The "new Labour, new danger" slogan touched a nerve. There were voters who decided to give Mr Blair the benefit of the doubt, but there were also millions who, because they were naturally conservative, could not quite bring themselves to switch this time, and stuck with the Tories — or stayed at home.

In other words, there may exist among the electorate a huge and hidden reserve of potential support for new Labour, if only Mr Blair shows he can deliver the goods. That this might be so is suggested both anecdotally and by Labour's failure to recapture seats in places like Norfolk, Meriden and Uxbridge which were, within memory, natural Labour seats.

The war-chant for post-election 1997 may not, then, be anywhere near the limit of Mr Blair's historic raid. We all know how he did it in 1997: by looking like a Conservative. How much better might he do in 2001 by

having proved himself one? This must be the Tory nightmare.

The presentiment provokes two alternative, but irreconcilable, escape routes. One was John Redwood's and the other was Ken Clarke's. Not just on Europe but (I think more importantly) on the welfare state — the future of pensions, the NHS, state education — and perhaps defence, law and order, English nationalism and private morality, Mr Redwood would have hauled his party substantially to the right.

This, the Likud tendency in the party, would establish a distinct profile for Conservatism, guaranteed to secure millions of votes — in England at least — in any imaginable election for generations to come. These votes are rock-solid, having nowhere else to go. A party with this personality could count on a bedrock of some 25 per cent of the English electorate. I believe it could secure the future of the Tory party as a mainstream grouping at Westminster for the foreseeable future.

I would also ensure its death as a party of British government. Without the centre ground which Labour is wooing with such skill, you will never win a general election outright. Mr Clarke advocated what was at the same time the less radical and the riskier alternative. This was to reject the achievable goal of mere persistence in politics, and strike back towards the main chance: predominance. He would have sought to take the centre ground back from Mr Blair.

William Hague's handsome victory represents a decision not to decide, or at least not yet. I think this is sustainable for a while, if Clarke's and Redwood's wings will wear it. But as a general election approaches, an opposition party must get, if not a blueprint for government, at least a personality. Thatcher did. Blair did. Hague will have to. Which way will he incline? I have not the least idea. I suspect that is why he won. This is worrying.

But can he do it? Though I inclined to Ken Clarke, I do not know. Nor in their hearts do Tory MPs, though most have opted for one gang or the other. The division within the party is really a division within the breast of each. Unless Mr Blair stumbles badly, the division may never go away. Its persistence, unhealed, is embodied by the two men who failed, yesterday, to beat him.

Philip Howard



Forget Doctors Faustus and Doolittle: the hagiographies of hobbitry hold the key

Forget Vulcan and "Beam us up, Mr Scott", which was the true catchphrase in *Star Trek*. Not the false phrase "Beam me up, Scotty" or "Back me up, Mr Redwood".

References to the Clarke-Redwood axis as an instability pact, or the Barney Army marching over to the enemy (like Lord Stanley's at Bosworth, or a Faustian compact, or a Molotov-Ribbentrop non-aggression treaty, are over the top. The Push-Me-Pull-You offers new possibilities, with Dr Doolittle and the language of Dab-Dab the Hague duck and Gub-Gub the pig. But all show the narrow range of literary and historical similes available for explaining political events.

Such shorthand tags need to be simple black-and-white, and preferably from the nursery. And, they should be widely known, which may no longer be the case with Dr Doolittle. So why no Falstaff and Prince Hal for the Ken and John show? And what about Dickens? Pickwick and Alfred Jingle? Copperfield and Steerforth?

But the obvious metaphor that has eluded the political commentators so far is hobbitry. *The Lord of the Rings* has been voted the most popular literary work of the century. And the Tory leadership campaign has exhibited many of the features of Tolkienland. For there is a heroic quest amid terrible dangers for a lost magical formula that may save Middle-England, earth, or at any rate the foggy lands between Smith Square and the Hobbits of Parliament.

One Fudge to rule them all. One Fudge to find them. One Fudge to bring them all, and in the darkness bind them. But a renegade hobbit, Gollum of the Blair strain, has stolen their ring of power. Gollum's hearing for electoral advantage is acute, and from his hobbit of saying "If I may say so, the absolutely plain fact of the matter is..." he is known as Tony Blurr.

Ken Clarke is an obvious hobbit, because of his comfortable shape and tastes, his blockish saloon-bar manner, and his love of ale and tobacco, though he prefers panettas to the pipes of tobacco through which Bilbo blows smoke-rings at the beginning of the saga. For a hobbit-hole, even in political crisis, means comfort.

Physically, the new Supreme Leader looks like a hobbit, with his furry hair fringe, though for certain identification we would need to take his socks and shoes off to discover whether he also has furry feet. But his grumpy accent and his precocious schoolboy speeches, telling his elders and betters that the future belonged to him because they would all soon be dead, suggest that he is one of the obnoxious and pushy Sackville-Bagginses.

John Redwood's pointy head and ears and his reputation for unearthly intelligence point to Elvish blood. And hobbits were originally a matriarchal clan. Females get no good roles in the beery Inklings wonderland of Tolkien. They stayed at home, cooking supper — except for Galadriel, the ever golden-haired once-and-future Queen. But her support and nostalgia for her mythical reign were decisive, for good or ill, to all the Companions of the Ring.

Even their names fit the metaphor. Clarke is a hobbit country monosyllable like Bree and the Shire and the Stairs. Redwood could be a name in those insanely complicated maps and genealogies. The Redhorn Gate, as you all know, was the most important pass over the Misty Mountains, and its eastern approach was known as the Dimrill Stair. Even the constant faces with which the candidates have been showering us hourly with their stupefying thoughts for the day, have their Middle-earth counterpart in Toadface.

The hobbit metaphor fits the Tories in their dark age, but, like all such goblin caps, not exactly. The Tolkien cult is sentimental and silly. *The Hobbit* was the only masterpiece, and is still a brilliant book. *The Lord of the Rings* goes on a bit, and starts better than it ends. *The Silmarillion*, and the rest of the scraps from Tolkien's cutting-room floor, are unreadable, except by fanatics and exiles of the Flower Power generation.

The idea of an eternal struggle between good and evil, between Gandalf the Grey and Sauron, makes rattling good romance, but poor politics in the workaday world of compromise. Any comfort-loving hobbit could see that. Once they get over their electoral excitement, Hague and some Tories may see it too.

China smiles

THERE will be double celebrations at the Chinese Embassy in Portland Place when we hand Hong Kong back to China at the end of the month. For the first time since diplomatic relations were re-established between Britain and the People's Republic in 1972, embassy staff have been told that they can bring their children from the homeland for a holiday.

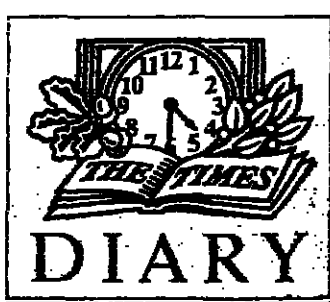
"It is true, yes," confirmed a Chinese diplomat yesterday with a cheesy grin, "but it is not con-

firmed that we can talk about it." Staff in the sought-after London posting have suffered years of separation from their families. Couples are often jointly employed in the embassy while any children are left with relatives in China. The parents are usually allowed home leave just once during a three-year stay in London.

While Lord Lloyd-Webber delights in the fact that his show *Cats* is now the longest-running show on Broadway, his wife Madeleine is less enthusiastic. Speaking of the triumph in New York, she said: "I would like to have been at Ascot to watch my horse *Struggler* run in the King's Stand Stakes."

New blooms

THE Duchess of Northumberland announced plans recently to spend £5 million on restoring gardens at the Percy family seat, Alnwick Castle. Now, the Hon Simon Howard has summoned the help of Kew Gardens to save a woodland at his family seat in North Yorkshire. Castle Howard, Kew claims the decision means that "the future of one



of the North of England's most important collections of plants is to be secured."

The plant collection, famed for its rhododendrons, consists of a 40-acre woodland and a young arboretum of 4,000 plants, many of them rare. "We are delighted to welcome Kew into the North," says Howard of Castle Howard, where the BBC's adaptation of *Brudersheim* Revised was filmed.

In my report over the confusion at Westminster caused by two Labour MPs named Michael J. Foster, I regrettably got them mixed up myself. Michael Foster, MP for Worcester, is the man making news with his anti-hunting Bill, rather than the Michael Foster who represents Hastings and Rye. My apologies to both Fosters who must now be resigning themselves to such mistakes.

Cross dressing

THE man who has given us the most saccharine pictures of members of the Royal Family yet available has been at his easel again. Andre Durand, who depicted the Prince of Wales and his children in baseball caps on a rearing steed and who painted Diana, Princess of Wales, as a clown in a pizza parlour, has excelled himself with his latest picture entitled *Power Dressing*.

The painting depicts a man wearing one of the dresses being sold at auction by the Princess in New York next month. "It's the Victor Edelstein dress that she wore

when she visited the White House and danced with John Travolta," says Durand who was inspired by stories of the homosexual community's interest in buying up a dress at Christie's auction. "It's based on a Sargent in the Tate. It will be unveiled on the day of the sale."

Screen love

SUGGESTIONS that Kenneth Branagh cannot keep his love life away from the cameras come with the news that his next co-star will be Helena Bonham Carter, his squeeze of the past two years. In a BBC film, *Theory of Flight*, Branagh plays an earnest artist who



Ken and Helena: new film

becomes smitten with a wheel-chair-bound woman, played by Bonham Carter.

Branagh and his now estranged wife, Emma Thompson, made frequent film appearances together, playing fraught lovers such as Beatrice and Benedick in *Much Ado About Nothing*.

This time, however, there will be nothing so glamorous. "There is no romance at all. It's just a film about a friendship," says a spokesman for the film, which is currently being shot in Wales. "Both actors decided to do it because of the strength of the script."



Castle Howard: calling in Kew Gardens to save the woodland

P.H.S



THE YOUNG LEADER

Hague emerges in front after a debilitating campaign

The Conservative Party took a first step on the road back to realism last night with the election of William Hague as leader. The unnatural axis between Kenneth Clarke and John Redwood could not last. It is as well that MPs rejected it now rather than have it fall apart later. This morning the Tories have a leader who can stand on a clear and principled position rather than the brittle boards of a jerry-built platform. The margin Mr Hague enjoys is large enough to give him the authority necessary to lead his party with assurance. He must learn soon to deploy that mandate adroitly if he is to acquire the confidence of the country that he can become its leader in time.

Mr Hague has faltered at moments in the leadership campaign; he has not been seasoned by adversity in office; the Conservative Party is in a shattered state. But to become its leader at 36 is still a considerable achievement. It is all the more so given that Mr Hague has won without making himself any faction's prisoner or rival's creature. He offered no jobs to placemen or hostages to fortune, only a potentially painful party reorganisation and an insistence on parliamentary discipline.

The Times has supported his ideas for party reform and, if energetically pursued, they should entrench his position. Before his victory some were inclined to believe Mr Hague's leadership would be provisional. But the appetite among activists for stability is strong. Their voices, amplified by reform, will insist that the parliamentary party give Mr Hague the time to mature and show his mettle. Although the consultation process favoured Mr Clarke, most Tories yearn, above all, for an end to introspection and a concentration of fire on Labour.

To that end, Mr Clarke and Mr Redwood must show that their desire for unity extends beyond a wish for it only on their terms. The size of Mr Hague's majority suggests that several supporters of both candidates shared this newspaper's unease at the nature of their pact. It may also reflect on the support

he enjoyed from Baroness Thatcher. She was motivated by more than a desire to stop Mr Clarke, she also recognised an heir in Mr Hague. Far from enduring an eclipse, the Lady's lamp is still burning. Mr Hague's victory is also a vindication of her principles.

Mr Hague has indicated he wants to build an inclusive Cabinet. Mr Clarke has said he wishes to support the new leader from the back-benches. That is understandable, but it would be a mistake for Mr Clarke to quit the front-line. Mr Redwood should think hard before making a decision that he might later regret. Both have much to contribute to a Conservative revival and a place for both should be found in the Shadow Cabinet.

It would seem appropriate that the two biggest seats around that table should go to Michael Howard and Peter Lilley, whose support helped Mr Hague to victory. With Mr Howard as a robust Shadow Foreign Secretary and Mr Lilley an imaginative Shadow Chancellor there should be room for Mr Clarke as *de facto* deputy leader shadowing John Prescott's super-ministry and Mr Redwood might play a useful role opposing Labour's constitutional plans or developing his vision of revitalised public services. It is in the nature of Mr Hague's promise of a fresh start that younger talented MPs such as Francis Maude and David Heathcoat-Amory, as well as Michael Ancram and James Arbuthnot, should enjoy promotion. But experience will be required to exploit Labour failings.

Mr Blair's honeymoon has been long and sweet, his Government purposeful and reforming, but the pendulum has its own momentum. It is vital that a vigorous Opposition start to test a Government inclined, at times, to arrogance. Mr Blair, like the French cavalry, is magnificent when advancing but can be ragged in retreat. After an agreement at Amsterdam which saw integration deepen, and with a public spending round ahead that promises to be painful, Mr Hague will not want for opportunities to assert himself.

MILLENNIUM GAMBLE

Blair backs the Cavaliers of Greenwich

This new Government may be populist in its instincts but it is not shy of taking bold decisions. To have cancelled the Millennium Exhibition would have won easy plaudits today. Voters would not have missed what they had not seen; and they would have appreciated the accompanying reallocation of lottery money. In the longer term, though, this project — if it is done well — could be hugely popular. The risks are high, but so could be the rewards.

The risks were even higher before yesterday. Then the plan was that the exhibition would be dismantled after a year — a waste of a grand concept and a disincentive for any private business tempted to invest in it. The known content of the exhibition remains a mishmash of ideas, some attractive, others drab. The building of the dome was going ahead on schedule, but there was no clear creative input to the project. It could have been a disastrous flop. This is still a possibility. But it has been lessened by the stipulations yesterday that the exhibition must continue beyond the year 2000 and leave a lasting legacy on the site.

Had Mr Blair pulled out, he would have pleased most of his ministers. But he would also have breached the undertakings he made before the election. He would have wasted some £200 million. And he would have thrown away the opportunity to make Britain the centre of the world's millennium celebrations.

There have been inevitable comparisons with 1951. One young Labour Government,

trying to trade on optimism and modernity, naturally remembers another. The 1951 exhibition touched a generation, which remembers it still. It did not, however, deliver Labour back to power. Those politicians today who believe that the millennium celebration will guarantee victory at the next election may be as disappointed as their grandfathers. Voters will be particularly disappointed if the exhibition is, as it has so far appeared to be, a mixture of 1960s Disney and 1990s science park.

But there is still an excitement waiting to be stirred by a creative success. The national change of mood after May 1 shows that the country is neither as cynical nor as worn-down as many people had assumed. Enthusiasm tends to lie dormant when times are stale but can be reinvigorated by leadership and events. Margaret Thatcher managed to reimagine the British with national pride in the 1980s; Tony Blair may be able to do so for the millennium.

If the exhibition goes to plan, it will not cost the taxpayer a penny. The only public money going into this project comes from the National Lottery, not the Treasury. For that reason, it was particularly depressing to see Gordon Brown opposing it, saying he wanted to make an example of parsimony. If lottery money cannot be spent occasionally on imaginative and exciting ideas, then it may as well go straight to the Exchequer. Mr Brown represents the Roundhead tendency. Mr Blair has delivered victory for the Cavaliers.

TEST TUBES INTO KEYBOARDS

This is a golden age for writing, and reading, about science

Of the making of science books there is no end. As the sound of backslapping at last night's presentation of the Rhône-Poulenc Prize fades away, authors and publishers have plenty to celebrate. While scientists may protest that they are misunderstood, the opportunities for understanding them have never been greater.

Last night's winner, *The Wisdom of Bones*, by Alan Walker and Pat Shipman, is a fascinating account of the finding of Neanderthal bones, the best-preserved fossil of *Homo erectus* ever found. But any one of the titles on the shortlist would have been a worthy winner, and there were plenty of good books published last year that failed to make the list. Without exaggeration, this is a golden age of general science publishing, a virtuous circle in which good books create the market in which more good books can be published.

The era began with the publication of Stephen Hawking's *A Brief History of Time*, a best-seller which had readers scratching their heads and publishers begging for more. Nobody has since matched Hawking's success, but there have been some unexpected hits. Dava Sobel's *Longitude*, a small-format novella of a science book about the work of the 18th-century clockmaker John Harrison, was a genuine surprise. Yet story was well-known, even hackneyed, yet Sobel's treatment catapulted it into the bestseller lists worldwide. Never ones to overlook a trend when it is staring them in the face, publishers are now rushing out books in the same pocket-size format, and

quite successfully. Simon Singh's *Fermat's Last Theorem* is selling nicely.

Nor is the junior market neglected. The Rhône-Poulenc prize for books for the under-14s also enjoys an embarrassment of riches, despite a tendency to titles more likely to appeal to parents than to their children. The exposition, accuracy of fact and standards of presentation are very high, and the tendency to talk down has long since been banished.

Why science books should prove so buoyant demands some explanation. In part, it reflects the fact that scientists who in an earlier age would have buried themselves in a laboratory today find it more rewarding, in every sense, to write about science than to practise it. Many are outstanding writers but only average scientists; so we should not begrudge scholarship's loss but rather celebrate literature's gain. If biologists need any further encouragement to take up their pens, a prize even more generous than Rhône-Poulenc's has been set up by the Wellcome Trust, which offers £25,000 for the best book from an unpublished life scientist. The entries, now being read by the judges, are reported to be excellent.

Another reason is that it is easy to complete a British education with only the sketchiest knowledge of science, accompanied by a sense of guilt that one knows so little about the forces that make the world turn. Popular science books can remedy the deficiency, as well as providing more nutritious and better-written fare than much of today's other literary lists.

Time for RAF to hand on its tasks?

From Professor Robert Neild

Sir, In reply to your correspondents of June 17, who raise fundamental questions about the future of our Armed Forces, is it not time to consider abolishing the RAF and handing its tasks to the other two Services?

At the end of the 1914-18 war two arguments were advanced for creating an independent air force.

It was believed that strategic bombing could win a war; therefore the RAF should have a voice in the councils of war and a status at least equal to that of the other Services. In putting forward this view, the *Sinus* report of July 1917 went so far as to say that bombing attacks might soon become "the principal operations in war, to which the older forms of military and naval operations may become secondary and subordinate".

It was also believed that an independent service would be energetic in developing manned aircraft for military purposes, exploiting a new technology which was likely to be spurned and developed slowly if left to the Army and Navy.

Neither of these arguments is valid today. Strategic bombing, always of questionable efficacy but unquestionable brutality, has been transformed by the advent of unmanned delivery systems and nuclear weapons. And generally, technical progress has been racing on, causing military aircraft to be displaced all the time by ballistic missiles and other unmanned systems — for example, satellites and drones, surface-to-air missiles and cruise missiles.

Some important tasks still remain for manned aircraft. But since these mostly consist in supporting operations on land and sea, it would make sense for the aircraft and personnel of the RAF to be transferred to the Army and Navy, both of which already have their own air forces.

The Army and Navy would be able to make choices between unmanned and manned weapon systems, free from the inevitable bias when resources have to be divided amongst three services of which one is dedicated to manned aircraft and has no *raison d'être* without them. The full integration of aircraft into land and sea operations could only be advanced; and there would surely be substantial savings in senior officers, planning staffs and other overheads.

Yours faithfully,
ROBERT NEILD
(Author, *An Essay on Strategy*, Macmillan, 1990),
Trinity College, Cambridge.
June 18.

Aboriginal claims

From Mr Glenn Sterling

Sir, As an Australian, I am concerned at the suggestion by Mr Jeremy Hobbs and others (report and letter, June 17) that Tony Blair should consider advising Mr John Howard, the Australian Prime Minister, on his policies towards the Aboriginal people and on the management of this long and complex problem involving not only land but also human rights that began in 1788.

Since the introduction of native title legislation by the former Labor Government, the situation has deteriorated into a chaotic series of claims by Aboriginal people on prime mining, farming and city land. This seems to have largely benefited lawyers rather than the claimants themselves, and to have done very little to restore the social decay of the indigenous people, which has evolved over 200 years. Federal Senator Pauline Hanson recently said that handouts of taxpayers' money is an inadequate solution and I would dispute Mr Hobbs's assertion that Aboriginal people suffer from a lack of access to basic services.

In my view, the answer must lie with the Aboriginal people themselves. Current generation Australians cannot be held responsible for their history but I, for one, hope to learn from it. Similarly, I do not believe Mr Howard should apologise for the "systematic theft" of Aboriginal children by our parents' generation, and I would also encourage him to push forward with the abandonment of native title laws.

Yours sincerely,
GLENN STERLING
(Visiting fellow),
St Mary's Hospital,
Milton Road,
Petersham, Hampshire.
June 17.

Maths performance

From Professor Emeritus Geoffrey Matthews

Sir, It depends what you mean by "mathematics" (report, "Primary pupils near bottom of world maths class", June 11).

According to the National Curriculum, mathematics covers not only number but also geometry and data analysis. In these areas, as your report points out, English children beat most of their rivals.

I have no doubt that more needs to be done to improve numeracy: ten minutes daily on intensive whole-class practice in mental arithmetic can work wonders. A bank of questions would help the hard-pressed teachers.

Yours etc,
GEOFFREY MATTHEWS,
50 Sydney Road,
Bexleyheath, Kent.
June 11.

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XN Telephone 0171-782 5000

Expansion of Fitzwilliam Museum

From Professor Sir John Meurig Thomas, FRS, Master of Peterhouse, Cambridge.

Sir, I must comment on the insinuation by the Director of the Fitzwilliam Museum, Dr Duncan Robinson (letter, June 14), that Peterhouse has narrow selfish motives for its objection to the proposed extension to the museum.

Ever since the museum's foundation, the college has been conspicuously liberal and supportive in its dealings with the Fitzwilliam, conveying the land on which the museum was built from 1837, and again in 1915 providing a second adjacent site to the south — twice the size of the original museum plot — to accommodate further expansion.

As the museum's trustees explained at the time, in acquiring this second site, they did so recognising the imperative necessity of adding to the Fitzwilliam Museum in such a way as to interfere as little as possible with the effect of a building which, in its particular style, is counted among the most successful architectural achievements of the 19th century.

It is a matter for regret that the current trustees seem to have abandoned this wise principle. There is still ample space for the museum to expand on this southern site without compromising the original museum building by George Basevi (1794-1845)

— so much of it vacant land, including the garden of the director of the museum's residence, that in 1988 the trustees had plans to build a large extension there; these were only abandoned when the prospective donor withdrew his support.

Dr Robinson also points to the existence of a drawing by Basevi showing symmetrical lateral wings, dating from 1836. Yet the Fitzwilliam is not, in fact, proposing to resurrect this Basevi design; and the idea that this sketch can now be used to give Basevi's blessing to any new extension — even one as tall, asymmetrical and stylistically unrelated to the original museum as the one currently proposed — is a *non sequitur*.

Indeed, Basevi seems specifically to have rejected the idea of projecting wings, arguing that he wanted his great temple "sufficiently detached to be well seen, not in a group with other meaner buildings, but by itself" (my italics).

It is this architectural integrity which we and many other members of the university are concerned to preserve.

Yours faithfully,
JOHN MEURIG THOMAS,
The Master's Lodge,
Peterhouse, Cambridge.
June 18.

Future role and funding of NHS

From Sir David Price

Sir, In undertaking their "comprehensive review" of NHS funding (reports, June 13), I hope Frank Dobson and his colleagues will start where we on the House of Commons Social Services Select Committee left off on our report *The Future of the National Health Service* of 1988 (House of Commons 613, Session, 1987-88) and not waste time "reinventing the wheel".

We concluded in para 125 of our report: "Alternative or supplementary finance, including any patient charges, income generation schemes or selling clinical services are not the 'solution' to the funding 'problem' of the NHS, although some of them may have a part to play... Some form of central funding is bound to continue to be the principal source of finance for health services... A switch from a general tax-funded system would necessitate a wholesale change in the present taxation and national insurance system and its implications should be studied openly and in much greater detail before any decision is made about its merits."

The membership of our committee covered a wide spectrum of opinion within the House. It included one colleague who became a Cabinet Minister in Mr Major's Government and our chairman, who is now a senior minister in Mr Blair's Government. Our report was unanimous.

We also made this recommendation, which I commend to Mr Dobson: "Any new system of funding or delivering health care must be broadly agreed between the major political parties. If it is not, it may not stand the test of time."

Yours faithfully,
DAVID PRICE
(Conservative MP for Eastleigh, 1955-92),
Forest Lodge, Moonhills Lane,
Beaulieu, Hampshire.
June 15.

A rock too far

From Mr Rodney Legg

Sir, Far from being "told to stay as long as they like", Greenpeace activists should be given an unequivocal message that Rockall is no place for stunts, let alone their ugly plastic capsule (report, June 12; letter, June 13).

Bird-occupied, and thus guano-covered, this is the ultimate open space in the entire British Isles. There is nowhere else for seabirds or terrestrial life over 280 miles out into the Atlantic Ocean.

It may be diplomatic for both the Foreign and Scottish Offices to express no objection or opinion, but certain places in these lands and islands should be sacrosanct and reserved for whatever wildlife can make a landfall.

In the unlikely event of my wishing to dump a caravan on top of Ben Nevis or Scafell Pike I have no doubt that various restrictions would render it unlawful. Greenpeace's own strictures to the rest of us on sewage disposal would disqualify their current arrangements.

Rockall merits designation as a national nature reserve or, at the very least, as a site of special scientific interest (SSSI).

Yours sincerely,
RODNEY LEGG
(Warden),
Steeple Holm,
Via Weston-super-Mare, Somerset.
June 12.

From Councillor Alan Bradley

Sir, Whilst the Government is no doubt correct in asserting that any citizen of the UK is free to move to Rockall, does not the structure erected there by Greenpeace activists require planning permission?

Which local government body is the planning authority for Rockall, and has it received an appropriate application?

Yours faithfully,
ALAN BRADLEY
(Chairman, Environment and Planning Committee),
City of Westminster Council,
PO Box 240, Westminster City Hall,
64 Victoria Street, SW1.
June 13.

Exam credibility

From Mr David Lloyd

Sir, Many who work in education will have been surprised, if not downright astonished, to read in today's newspapers the summary of an adjudication by the Broadcasting Standards Commission on an edition of Channel 4's *Dispatches* entitled *Making the Grades*.

This programme provided a large body of evidence of systematic manipulation of grade boundaries by examination boards at GCSE and A level; behaviour prompted by their need to retain student numbers and, thus, their business.

The programme was made two summers ago and, I believe, had a dramatic effect. Among regulators and Government alike it will have proved to be a force for good and will lead to a major restructuring of the examination boards. Not before time.

From Mr Andrew Sheard

Sir, It is ironic that it should be the action of a Labour Government, in Frank Dobson's refusal to rule out charges to patients, that has raised the entire valid but often taboo question of the long-term fundability of the National Health Service.

A sensible debate on what the future role of the National Health Service should be, and who should pay for it, seems to have been paralysed by the unwillingness of many health professionals and politicians (of all hues) to acknowledge that there is bound to be an increasing gap between what people will want from the NHS and what can reasonably be afforded by the community at large.

To anyone who is aware of the rapidly expanding capabilities of medical science, it is apparent that a given population can only be offered whatever is the best currently available treatment or care if equally rapidly expanding resources are available to pay for it.

The last Conservative Government had the courage to recognise and address the parallel, but less emotive, issue of state pensions, but not even they were ready to admit to the depth of the problem underlying Mr Dobson's remarks.

There are many possible levels at which the National Health Service could provide a publicly funded healthcare service for the nation, and it is time that we looked at them: ruling nothing out or in seems to be a good way to start.

Yours faithfully,
A. G. SHEARD,
Golden Valley Cottage,
Little Gaddesden,
Berkhamsted, Hertfordshire.
June 13.

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Yours faithfully,
ALAN BRADLEY
(Chairman, Environment and Planning Committee),
City of Westminster Council,
PO Box 240, Westminster City Hall,
64 Victoria Street, SW1.
June 13.

The Broadcasting Standards Commission, in finding against the thesis of the programme without having the relevant evidence before it, has disappointingly and bizarrely decided not to enlist with the angels on this occasion.

A pity: it is, after all, the credibility of our education system which is at stake.

Yours sincerely,
DAVID LLOYD
(Senior Commissioning Editor,
News and Current Affairs),
Channel Four Television,
124 Horseferry Road, SW1.
June 12.

Letters that are intended for publication should carry a daytime telephone number. They may be sent to a fax number — 0171-782 5046. e-mail to: letters@the-times.co.uk

Hidden maps and devices for escape

From Mr C. J. L. Bowes

Sir, I would like to add a little background to your report (June 12) about Waddington's map archive.

The archive had been stored in ideal conditions in the cellar of one of the firm's printing works. Four years ago the building was pulled down and replaced with a modern factory, leaving us without the necessary dark and humid conditions for archive storage.

Waddington has now deposited its archive in various appropriate places, all available to the public, and the map prototypes and correspondence have been given to the Map Library which is part of the British Library in London.

Waddington was chosen by M19 to produce escape aids because of its history of innovation in printing techniques and its knowledge of how to print on silk. From 1942 onwards virtually all British and US aircraft were supplied with silk or mulberry-leaf paper maps which were unaffected by water or repeated folding and creasing.

The Monopoly board was only one of the methods developed by Waddington and Major Christopher Clayton Hutton of M19 to smuggle escape devices into prison camps. Other examples were chess pieces and shovels, halfpenny boards which contained radio components, special packs of playing cards which would fall apart to reveal 52 overlapping parts of a map, pencils containing fine saw blades or tightly rolled maps on ultra-fine material. An ink was developed for what appeared to be a plain linen handkerchief which, when soaked in urine, revealed a map; a rinse in water caused the map to disappear again.

Professor M. R. D. Foot, probably the UK's foremost authority on escape and evasion, reckons that half of the 35,000 allied troops who evaded the enemy would have used one of the Waddington escape devices.

Yours faithfully,
CHRIS BOWES
(Archivist to Waddington plc),
10 Belgrave Crescent,
Harrrogate, North Yorkshire.
June 16.

From Mr Alan Winter

Sir, I still possess a silk map, such as the one you show being held by Professor Foot, which I received whilst a POW in Germany on October 7, 1944.

My diary entry for that day reads: "had a parcel from the Public Institutes and Hospitals Association which contained a very good pair of slippers".

Now, after 53 years and thanks to your report, I am perhaps part way to solving the mystery.

A map and a small compass were concealed in a very small compartment in the sole of one of the slippers, discovered because of the discomfort when I first wore them.

Why was it sent to me? Was it because of the location of my POW camp, deep in Silesia (now part of Poland), not far from the port of Danzig where there was believed to be an escape route via Sweden?

Yours faithfully,
ALAN WINTER,
5 Norton Park,
Chipping Norton, Oxfordshire.
June 14.

From Mr Robert A. Crawford

Sir, I was interested to read today of the escape maps hidden in Monopoly sets, as only this week I handed over to the Royal Air Force Museum at Hendon a pair of escape braces with two halves of a silk map of south-east Europe hidden in the straps. They were given to me by Jasper Maskelyne, the famous conjuror, in the spring of 1944.

I flew 35 operational sorties (252 Squadron) in Beaufighters and fortunately did not have to make use of them.

Yours faithfully,
ROBERT A. CRAWFORD,
8 Acacia Avenue, Ruislip, Middlesex.
June 12.

Out to lunch

From Mrs Jean Marcus

Sir, Whilst trying to identify an "in" place for a family lunch to celebrate two daughters graduating in London, and following your two articles on lunching (June 9 and 10), I rushed to my *Good Food Guide* to compare a dozen or so of the favourite venues of the rich and famous. Alas, no lunch service at most of them on Saturdays.

May I suggest a follow-on article aimed at weekend visitors to the capital entitled: "Where to eat in London on Saturdays".

Yours sincerely,
JEAN MARCUS,
Newton House, Newton Lane,
Newton-by-Daresbury, Cheshire.
June 10.

Thoughtful paws

From Lord Walton of Detchant

Sir, Our Burford super-squirrel, after several fruitless attempts (letters, June 12, 18, 19), has now succeeded in climbing a smooth, slippery 5ft metal pole in order to reach an RSPB "squirrel-proof" nut container. Prematurely, we had been calling him Kenneth Clarke.

Yours faithfully,
WALTON OF DETCHANT,
North View, Tanners Lane,
Burford, Oxfordshire.
June 19.

s. so patient. so eyes.

NEWS

Hague promises to heal Tory split

William Hague became the youngest Tory leader for 200 years last night and swiftly promised to heal the divisions that have dogged the party for years and cast it into the wilderness.

He defeated Kenneth Clarke by the unexpectedly large margin of 92 votes to 70 after the shadow Chancellor's last-minute deal with John Redwood was condemned by Tory MPs as a cynical marriage of convenience to see Mr Clarke home and get Mr Redwood a senior Shadow post. Pages 1, 2, 20, 21

Jonathan Aitken and wife separate

Jonathan Aitken and his wife, Lolita, are to separate "for personal reasons" after 18 years of marriage. Mr Aitken, 54, and his Serbian-born wife have spent most of the past three weeks at the High Court where he is fighting a libel action against *The Guardian* and Granada TV. Pages 1, 4

McVictory

The fast-food chain McDonald's won a Pyrrhic victory when it was awarded £60,000 in damages at the end of its £10 million record-breaking libel action against two "green" campaigners. Pages 1, 6

Sporting washout

The second Test against Australia at Lord's was washed out for rain and rain did not ruffle Ladies' Day racegoers at Ascot. Page 3

New private jails

The Government produced plans for two new privately run jails, abandoning its election pledge to end the privatisation of the Prison Service. By 1998 there will be 65,000 inmates. Page 4

Aitken trial

Jonathan Aitken's libel hearing was adjourned so that his lawyers could investigate new evidence against him. He may be recalled to the witness box. Page 4

Film violence

A new film about the war between India and Pakistan in 1971, *Border*, has provoked violence between the Indian and Pakistani communities in Leeds. Page 5

Nazis bombed Dublin

German bombers attacked Dublin in 1941 to intimidate the Irish and prevent them assisting the Allies, according to a study of records in Munich. Page 8

It's a fit woman's life in the Army

The Army has introduced a new fitness assessment to keep pace with equal opportunity requirements and ensure that women have the same chance as men to compete for jobs. Females must do all the same press-ups, pull-ups and running, but the work-out is limited to take account of their weaker upper bodies and different breathing rhythms. Page 1

Theatre training

Many surgeons and young consultants are performing major operations for the first time without an experienced trainer present, a survey by the *British Medical Journal* found. Page 9

Drug baron jailed

A millionaire British drug smuggler was jailed for 12 years by a Dutch court. Curtis Warren masterminded the trafficking of vast quantities of cocaine, heroin, hashish and Ecstasy. Page 10

Jospin firm on euro

In his first speech to the National Assembly, Lionel Jospin, France's new Socialist Prime Minister, confirmed his commitment to achieving a single European currency on time. Page 11

Patten praised

Chris Patten was praised by Tsang Yok-sing, self-styled leader of Hong Kong's main "anti-Patten party", who said that he had much to be proud of. Page 14

Denver summit

World leaders arrived in Denver for their annual summit, to discuss job creation, world security and how to prevent conflict erupting again in Bosnia. Page 16

Orca and out

Animal rights activists accused the Japanese Government of disregarding wildlife after the slow deaths of two orcas, or killer whales, in captivity. Page 17



Tony Blair visiting the Millennium Exhibition site in Greenwich yesterday with, from left, Bernard Ainsworth, the McAlpine-Laing joint project director, John Prescott, Chris Smith and Peter Mandelson. Pages 8, 21

BUSINESS

Guinness: Bernard Arnault, chairman of the French luxury goods concern LVMH, has intervened in the £23 billion planned merger between Grand Metropolitan and Guinness. Page 25

Nationwide: A campaign to force

Nationwide: A campaign to force the Nationwide to convert into a bank was upset when the leader of the challenge said it should stay as a building society. Page 25

Estate agents: Hambro Country-

wide has made an agreed bid for John D Wood, the upmarket estate agency. Page 25

Markets: The FT-SE 100 fell 3.3

points to close at 4653.7. Sterling's trade-weighted index rose from 100.0 to 100.4 after a rise from \$1.6396 to \$1.6463 and from DM2.8311 to DM2.8395. Page 28

Rugby union: Martin Johnson is

the only member of England's tight five forwards to represent the British Isles in the first international against South Africa at Newlands in Cape Town. Page 48

Selling: Pete Goss, the Briton de-

corated by France for rescuing a fellow yachtsman, shrugs off his new status as a hero. Page 46

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THE PAGES

If Europe can be measured by the great hopes that it inspires, then the Amsterdam treaty is one of the most patent failures in its history. The text which was approved does not have much to do with the hopes raised at the end of the 1980s when there was talk of a federal Europe, of a region without frontiers and a continent which could speak loud and strong on the international stage. Page 20

La Libre Belgique

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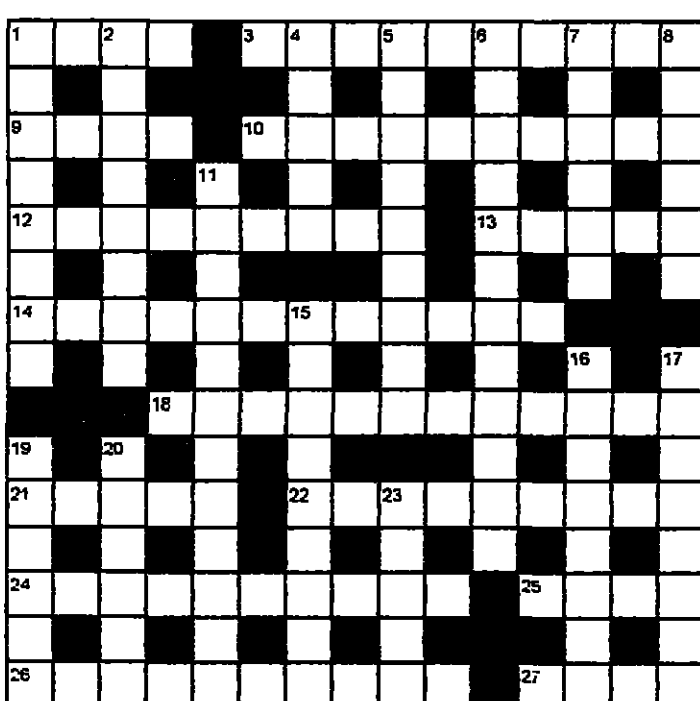
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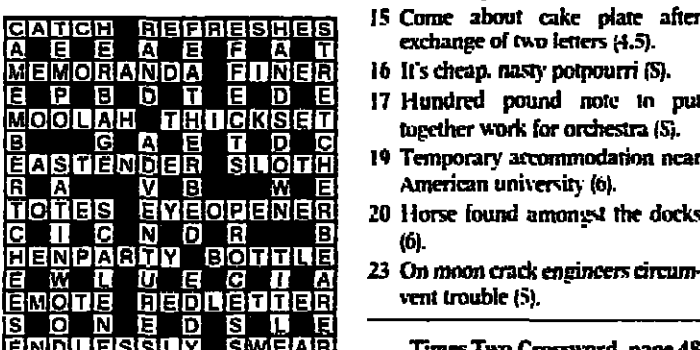
THE TIMES CROSSWORD NO 20,511



ACROSS

- One key element missing from band (6).
- Wrangler employed to keep tracks open (10).
- By the sound of it, drew some running water (4).
- Cosmetic discovered to be used by one in a hundred (10).
- Find musical event jolly (9).
- Grant some freshmen do without (5).
- Dealer may behave unexpectedly, generously (4,2,6).
- Murphy still wearing coat (6,6).
- A pound - money reserved (5).
- Drunken soldier left business centre backwards (9).
- Being competent and attractive (10).

Solution to Puzzle No 20,510



Times Two Crossword, page 48

AA INFORMATION

Latest Road and Weather conditions
UK Weather - All regions 0336 444 910
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HOURS OF DARKNESS

Sun sets 4:42 pm Sun rises 9:01 pm
Moon sets 6:46 pm Moon rises 5:04 pm
Full moon today
London 5:11 pm to 5:43 am
Bristol 5:01 pm to 5:33 am
Edinburgh 5:01 pm to 5:33 am
Manchester 5:11 pm to 5:43 am
Penzance 5:25 pm to 5:57 am

FORECAST

General: England and Wales will have a dry if rather cloudy start although there may be some brightness for time. Rain steadily in Cornwall at the start of the day will move east, and by mid-afternoon all areas will be wet, the rain turning showery in the west.

Scotland and Northern Ireland: rain over

the north and northeast Scotland will become confined to Fife and Shetland by evening. Elsewhere, after a bright start and perhaps some sunshine, the day will become cloudy, and rain will spread from the north as the day progresses.

London, SE England, E Anglia,

Central S. England, Midlands, E. England, N. Wales, NW England, Lake District, Isle of Man, Central N. Ireland, Borders, SW Scotland, Northern Ireland: rather cloudy but mainly dry at first some early brightness. Rain spreading from the west, heavy in places

Edinburgh & Dundee, Glasgow, Central

Highlands, Argyll, NW Scotland: rather cloudy mainly dry start. Some bright periods. Showers in the afternoon then clearing over from the south. Winds light, southerly. Cool. Max 16C (21F).

Aberdeen, Moray Firth, NE Scotland,

Orkney, Shetland: overcast and wet. Rain will turn showery from the south. Winds moderate, easterly. Cool. Max 14C (57F).

Outlooks: rather cloudy, rain at times or

showers, some brighter periods. Pollen: low in all regions (Supplied by the Pollen Research Unit)

AROUND BRITAIN YESTERDAY

24 hrs to 5 pm b: bright; c: cloudy; d: drizzle; d-s: dust storm; d-w: fair; f: fog; g: gale; h: hail; r: rain; sh: shower; s: sleet; ss: snow; t: thunder; w: wind; x: sun; y: sun & rain; z: sun & shower

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BUSINESS EDITOR Patience Wheatcroft

FRIDAY JUNE 20 1997

Spending boom propelling economy to boiling point

By ALASDAIR MURRAY
BRITAIN is in the grip of a post-election consumer borrowing boom, with new data suggesting that the economy is heading towards boiling point. Overall bank lending more than doubled to £9.2 billion in May, according to the latest Bank of England data.

Separate figures from the British Bankers Association showed personal lending increasing by a record £1.4 billion last month. The BBA also found consumer credit growing at twice the rate of May last year. Economists said the latest data suggested that Gordon Brown would need to raise about £5 billion through tax rises in the Budget next month, to stave off hefty interest rate rises. But the City concluded that Mr Brown would find little extra ammunition for tax rises, in a report by the National Audit Office into Treasury forecasting assumptions.

Yesterday's NAO report, which backed Mr Brown's more cautious economic assumptions, suggested that Government borrowing would be £20 billion higher over the course of this Parliament than under Budget forecasts made by Kenneth Clarke, the former Chancellor. The NAO also downgraded the predicted savings from the "spend to save" crackdown on tax and benefit fraud by nearly £2 billion, to £4.9 billion. But economists said the revised PSBR predictions, which include an overshoot on the previous forecast of just £500 million for this year, are well within the standard margin of error for economic forecasting.

Adam Cole, UK economist at James Capel, said: "The NAO found some evidence that the underlying assumptions in the Chancellor's inherited figures are too optimistic, but not the black hole that many feared." The Treasury also supported the Treasury's decision to lower its growth assumption from 2.5 per cent to 2.25 per cent, which is in line with most long-term City estimates. The Treasury will also revert to using a flat assumption of unemployment — 1.85 million for this year — rather than making its own forecast.

But the Treasury intends to employ a market consensus for its interest rate forecasts rather than using its own internal model, a reform made necessary by the decision to hand control of interest rates to the Bank of England. The NAO also supported the Government's decision to include in its Budget assumptions money expected to be raised from privatisation proceeds only when the sales have been announced.

The NAO report unsettled the gilt markets, with September gilts futures closing down 13 1/2 at 113.03. But the main focus of the money markets was the stronger than expected monetary data, which prompted sterling to hit new post-ERM highs in trading before falling slightly to close at DM2.8395, from DM2.8311 the previous day. But the distributive trades survey, published today by the Confederation of British Industry, shows manufacturing exports picking up this month despite the strong pound. Overall demand for manufacturing goods also improved, although the CBI said that the improvement represented only a small revival in orders.

BUSINESS TODAY

STOCK MARKET INDICES		
FTSE 100	4653.7	(-3.3)
FTSE All share	2210.2	(-3.58)
Nikkei	20597.85	(+10.00)
Dow Jones	7756.25	(+37.54)
S&P Composite	893.55	(+4.49)
US RATE		
Federal Funds	5 1/4%	(5 1/4%)
Long Bond	99 1/8%	(99 1/8%)
Yield	6.70%	(6.69%)
LONDON MONEY		
3-mth Interbank	6 1/4%	(6 1/4%)
Life long gilt	113 1/2	(113 1/2)
STERLING		
New York	1.6485*	(1.6385)
London	1.6485	(1.6397)
DM	2.8398	(2.8317)
FF	9.5802	(9.5525)
Sfr	2.3658	(2.3682)
Yen	114.02*	(113.65)
S Index	100.4	(100.0)
DOLLAR		
London	1.7240*	(1.7340)
DM	5.9170*	(5.8500)
Sfr	1.4380*	(1.4475)
Yen	114.02*	(113.65)
S Index	102.5	(102.3)
Tokyo close Yen	113.50	
NORTH SEA OIL		
Brent 15-day (Sep)	\$17.95	(\$17.95)
GOLD		
London close	\$338.85	(\$340.85)

Rift holds up search for GEC's new chief

By OLIVER AUGUST
A BOARDROOM rift at GEC is believed to have delayed the appointment of a successor to Lord Prior, who will retire as chairman next March. Lord Prior said: "It is not an easy thing to find a new chairman for the group." A nominations committee is looking for candidates, delaying an announcement until the winter. Michael Heseltine, the former Deputy Prime Minister, was put forward as a candidate but George Simpson, chief executive, is believed to be against his appointment. Mr Simpson, a member of the nominations committee, is preparing a shake-up at GEC. Three non-executive directors, Sebastian de Ferranti, John Lippitt and Lord Rees-Mogg, will retire from the board at the annual meeting in September. Lord Prior said his successor would definitely not be appointed before the meeting. The new non-executive directors are Nigel Stapleton, co-chairman of Reed Elsevier, Baroness Dunn, deputy chairman of HSBC Holdings, and Alan Rudge, BT deputy chief executive. Lord Prior, a former Tory minister, is retiring at the age of 70 after 13 years at GEC. He said: "It is now time for me to leave the scene. My age is the only reason for leaving but it's quite a good one." In retirement he will chair the Arab-British Chamber of Commerce. Commentary, page 27

Arnault swoops to lift GrandMet stake

By MARTIN WALLER, DEPUTY CITY EDITOR
BERNARD ARNAULT, chairman of LVMH, the French luxury goods concern, has made a dramatic intervention in the £23 billion planned merger of Grand Metropolitan and Guinness by paying almost £800 million for a 6 per cent stake in GrandMet. Although LVMH insisted that the only motive was to ensure that his influence would be heard to the full in the months of negotiations that will precede the combining of two of the world's biggest drinks groups, there was speculation on the stock market that the new stake will be used to try to block the deal. The French already have 14 per cent of Guinness. Sources close to LVMH indicated last night that M Arnault still intended to vote any stakes in either company that he may hold against the merger. He is also expected to increase his GrandMet holding if more shares become available. LVMH, acting through Barclays de Zoete Wedd, bought 125 million shares yesterday from City institutions. Most of the purchase was in two blocks of 50 million shares each, bought from Mercury Asset Management and PDEM. It is thought, the deals were at 630p, against a GrandMet share price that rose 17 1/2p to 603 1/2p. They represent 5.9 per cent of GrandMet's equity and take the French holding to 6.3 per cent. M Arnault, who has a seat on the Guinness board, voted there against the deal, which would create a new company to be called GMG Brands, but was overruled by the other directors. He has said he would prefer an outcome that combined the two UK companies' wine and spirits operations with his own 66 per cent-owned Moët Hennessey business, the balance of which is held by Guinness. M Arnault has also started proceedings in the French courts to unwind various joint venture arrangements between his company and Guinness in a move that could also threaten the merger. The share purchases were seen as hostile by GrandMet. A spokesman said: "It's hard to read this as anything other than an attempt to stop the merger, but Guinness and GrandMet believe that the GMG proposal offers more value for all shareholders than his alternative, and they will continue with the process." M Arnault's two stakes would give him 10 per cent of GMG. If he does not buy more GrandMet shares — he is barred by an agreement from raising his Guinness stake. The eventual vote will need a 75 per cent majority, and analysts did not believe a holding of this size would be enough to block the deal. LVMH was calling the new stake an "influence play". An insider said: "It makes sure, when it comes to the merger, he has got a lot of say on both sides." However, a GrandMet source said: "You don't spend £800 million to start a conversation with us. A telephone call would have been cheaper."



Cocktail shaken, page 29
Bernard Arnault is out to scupper Guinness merger

Surprise switch by Nationwide rebel Hardern

By CAROLINE MERRELL, NATHAN YATES AND ANNE ASHWORTH
THE Nationwide could be forced to hold a second ballot of its three million members, after an extraordinary turn of events yesterday. At a rain-soaked meeting in a London square, Michael Hardern, the freelance butler who had vowed to force the building society to become a bank, underwent his own dramatic conversion. Mr Hardern, who is standing for the Nationwide board, said he no longer thought the society should float. Having recited a passage from the Bible, Mr Hardern said: "I was wrong. I'm sorry. I made a mistake. Conversion doesn't make sense — people desert banks." According to the Electoral Reform Society, Mr Hardern's volte face means the ballot papers with his plans for the society if elected could now be invalid. These papers have already been sent to members. Nationwide's legal team said the ballot could still be legal. However, the society will have to write to members with the details of yesterday's shock announcements. Mr Hardern said he had abandoned his pro-conversion campaign after considering the arguments of Brian Davis, Nationwide's chief executive. Information obtained by The Times suggests that, even if elected to the Nationwide board, Mr Hardern could face the threat of being deemed not fit and proper by the Building Societies Commission. Mr Hardern is alleged to have published a letter advising "carpetbaggers" to open accounts using false addresses. He is also believed to have opened several accounts under his own name using false dates of birth. Mr Hardern insisted that his group would still offer £1,000 each to members if he is elected to the board. He claimed that the money could be taken out of surplus assets. Mr Davis denied that there had been an investigation into Mr Hardern's background. He described Mr Hardern's claims as "falsifications". The society's funds could not legally be unlocked to give payouts to members if there is no conversion.

Hambro agrees bid for John D Wood

By ADAM JONES
HAMBRO COUNTRYWIDE has made an agreed bid for John D Wood, the upmarket estate agency, valuing the company at £11.9 million. The bid follows the purchase of Farron Sutaria, a central London agent, this year. Hambro Countrywide will pay John D Wood shareholders 145p in cash for each share. This will mean a payment of about £2.9 million to Ian Homersham, the joint chairman, who intends to retire after the integration has been completed. John D Wood operates in central London and provincial centres such as Oxford and Winchester, and has sold homes worth up to £8 million. It posted record annual pre-tax profits of £1.64 million yesterday (£729,000), with turnover up from £7.6 million to £9.4 million, declaring a second interim dividend of 2.5p. Some existing Hambro Countrywide branches may be renamed John D Wood, and it may also introduce financial services into its new subsidiary. Tempus, page 28

Fastline team to share £8m

By FRASER NELSON
A FORMER British Rail manager who led the buyout of Fastline, the railway track renewal company, is to share up to £2.6 million after agreeing to sell the company to Jarvis for £55 million. David Doggett, who put up £50,000 for his stake, is part of a six-man team that will share £8 million for a holding bought for £250,000 less than two years ago. Mr Doggett, who has been with the company since joining British Rail as a graduate trainee, will pocket £1.5 million in cash and the remainder in shares. About 170 lower-level managers who bought shares at 450p each are being offered £70 a share. A further 1,200 employees who did not buy shares are to receive an average bonus payout of £3,000. Paris Moayed, chief executive of Jarvis, said the company's offer marked a fair reward for the work Mr Doggett's team had put into Fastline after buying it from the Government for £25 million. He contrasted the success with the record of Reliast, another track-maintenance company, which Jarvis is also buying for £25 million. Fastline's management is to remain in place, while Reliast has been given a new chief executive and operations director. Jarvis will command 14.1 per cent of the railway infrastructure services market after the purchase, making it the second-largest name in the industry. The Office of Fair Trading said it is looking into the deal, which Jarvis is funding via a £65 million rights issue. New shares are being issued at 253p each on a 9-for-32 basis. Jarvis made an expected pre-tax profit of £15.2 million in the 15 months to March 31, against a £500,000 profit in the 12 months of 1995. Earnings were 15.6p a share (1.2p for 1995) and a maiden dividend rises to 5.6p with a final 4p, due on August 1.

'Queen of Mean' to sell property empire

FROM TUNKU VARADARAJAN IN NEW YORK
LEONA HELMSLEY, the real estate baroness of New York, has put the bulk of her vast property empire up for sale, including a stake in the Empire State Building. Mrs Helmsley, dubbed the "Queen of Mean", expects to raise more than \$5 billion. The Helmsley empire, built by her late and equally hard-nosed husband, Harry Helmsley, includes 125 properties in several American cities. The heaviest concentration is in Manhattan. The 76-year-old owns 25 million sq ft of office property in Manhattan, 7,500 hotel rooms, 50 retail buildings and 8 million sq ft of warehouses and garages. Apart from the Empire State Building, the major Manhattan properties in which she has an interest are the Graybar Building, 1 Penn Plaza, the Helmsley Building, the Lincoln Building and the Flatiron Building. Benjamin Lambert, the chairman of Eastdil Realty, who has been hired as broker and co-ordinator for the property sales, said: "She has plenty of money. It's just that the market is strong. But strong markets don't last forever, and I think we will be moving quickly." Given the tangled ownership of many of her properties the sell-off could prove complicated. Recently, two octogenarian Helmsley partners, Irving Schneider and Alvin Schwartz, sued Mrs Helmsley for control of Helmsley-Spear, the management and brokerage company. One Times Square, arguably the most valuable billboard site in the world, has been sold by Lehman Brothers to the Jamestown group, a German investment firm, for \$110 million. The vendors bought the needle-thin advertising tower only two years ago for \$27.5 million. Annual advertising revenue from the site is estimated to be in the region of \$10 million.

ALFRED DUNHILL

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dunhill

Transport funding set for shakeup

By ARTHUR LEATHLEY
TRANSPORT
CORRESPONDENT

MINISTERS began a radical rethink of transport funding yesterday as they admitted that new sources of income will be needed to pay for future improvements.

As the Government put on hold more than 100 road-building schemes, ministers began a strategic review that will decide whether to introduce charges for urban and motorway driving and for company parking.

Gavin Strang, the Minister for Transport, said that decisions on 12 road projects, worth £1.5 billion, are likely to be rushed through by next month. The accelerated review will include controversial plans to build the privately-funded northern relief road for Birmingham, the Salisbury bypass and widening of the M25 in Surrey. The review will not affect road schemes already started or on which contracts have been awarded.

The remainder of the schemes, mostly long-term projects, will be decided next spring, when the conclusions of the review will be announced before publication of a White Paper that will set out plans for public transport funding into the next century.

Dr Strang said that charges for car use will feature as part of the review but added that the Government was "neutral" on the issue. However, he said that there was "a limited amount of money" that could be raised from taxpayers. "I think it is pretty clear that we are going to have to find a new source of revenue and I describe that as a dedicated income stream," he said.

Dr Strang's announcement comes after the Government's manifesto pledges to introduce an integrated transport policy and persuade motorists to switch to buses and trains.



Fair progress: Sebastian Coe, centre, at the launch of one of his health clubs with John Jarvis, left, and David Thomas, deputy chief executive

The force is with Safeway in Irish joint venture

By SARAH CUNNINGHAM

SAFEWAY, the supermarket group, has set up a joint venture with Fitzwilton of Ireland with the aim of becoming a major force in food retailing on both sides of the Irish border.

The 50-50 joint venture, Safeway Stores (Ireland), is paying £65 million to buy nine Wellworth supermarkets in Northern Ireland now owned by Fitzwilton, the holding company of Tony O'Reilly. A further six of the larger Wellworth stores are being taken under licence, with options to purchase. The deal also includes four development sites. The new stores will create 1,000 jobs.

Safeway will have management control of the venture and will put its name on all the stores. It will become the second-largest food retailer in Northern Ireland behind Tesco, which bought the Irish food retailing arm of Associated British Foods in March for £630 million.

That deal also gave Tesco market leadership in the Irish

Republic. Simon Laffin, finance director of Safeway, said the joint venture would also aim for the number two spot there. It intends to expand southwards as quickly as possible and has begun looking for suitable sites. It plans to open three to four new stores per year, concentrating on the Republic.

Fitzwilton also revealed yesterday that it has sold the business of most of the rest of the Wellworth chain to Musgrave, an Irish retailer.

Fitzwilton will lease 21 stores to Musgrave for an annual rental, with an option arrangement for eventual sale. Fitzwilton will be left with two branches of Wellworth, which it hopes to sell soon.

Mr Laffin said Safeway intended to make the most of the local knowledge Fitzwilton would be able to provide. He pointed out that rival companies J Sainsbury, which is developing a small operation in Northern Ireland, and Tesco have had difficulty ob-

taining planning permission for new stores. Safeway will refurbish the stores, adding petrol and car parking, at a cost of £50 million. Each partner will initially contribute £10 million of equity capital. The rest of the funding will be through debt. The venture should break even this year after financing, before charging some £10 million of launch costs over the next three years. Mr Laffin said it should make a profit in its third year.

Labour worries Caledonia

By PAUL DURMAN

CALEDONIA Investments, the company that owns big stakes in Close Brothers, Exco and Ivory & Sime, is still worried that the Labour Government might revert to socialist ways.

Peter Buckley, Caledonia's chairman, said: "The tempta-

tion for new Labour to align this country with their socialist counterparts on the Continent could so easily undermine the significant economic advantages which we presently enjoy." Mr Buckley was concerned that "costly and debilitating legislation dictat-

ed by Brussels" would damage smaller companies.

Caledonia was reporting annual pre-tax profits of £75.7 million, up from £40.2 million. Most of this improvement was a result of one-off factors. The company made a £25.9 million profit on last December's reorganisation of its investment in Bristow Helicopters.

The other important change was the inclusion of Close Brothers as an associate for the full year. Caledonia's share of profits from the investment banking group, of which it owns 25 per cent, was the main reason why profits from associate companies rose to £29.8 million (£20.9 million).

Caledonia is not paying a dividend, having brought forward its payments to the day of the election.

Jarvis Hotels registers 30% rise

By MARTIN BARROW

JARVIS HOTELS, whose shares trade at a discount to the flotation price one year after the company came to the market, yesterday reported a near-30 per cent rise in annual profits and issued an upbeat statement on current market conditions.

John Jarvis, chairman, said: "The company delivered exactly what we undertook to do in the prospectus - increase turnover, improve margin, deliver substantially increased profits and, through acquisitions and investment, build an even stronger portfolio for the future." The company achieved occupancy rates of about 65 per cent.

Pre-tax profits rose to £24.1 million from £18.6 million in the year to March 29, lifting earnings to 13.7p a share from 10.7p. The shares edged 2½p higher to 150p, against the flotation price of 175p.

Mr Jarvis believes one reason for the weak share price is the overhang of stock left by the succession of hotel company flotations that took place at the same time, including MacDonald Hotels and Millennium and Cophorne.

Jarvis, which acquired seven hotels during the financial year, has high hopes for its Sebastian Coe health clubs that are located within 17 hotels. The company has negotiated a new five-year agreement with the former athlete, who lost his parliamentary seat at the last election.

A final dividend of 2p makes a total of 3p for the nine months since flotation.

BUSINESS ROUNDUP

ED & F Man exceeds City expectations

PROFITS at ED & F Man, the commodities and financial services group, exceeded City forecasts regardless of huge losses on the sugar and cocoa markets. The pre-tax figure rose 5 per cent to £85.2 million against forecasts of £78 million to £84 million. The financial services division increased pre-tax profits by 13 per cent, to £12.5 million. Man Investment Products performed very strongly in the second half, with pre-tax profits of £30.5 million, up from £14.2 million.

Pre-tax profits for its sugar business fell to £31.6 million from £45.5 million the year before. The cocoa, coffee, nuts and spices business saw unchanged pre-tax profits of £4.1 million. A profit of £8.7 million from coffee, nuts and spices was offset by a £4.6 million loss on cocoa. In the year to March 31, earnings per share rose by 3 per cent to 22p. The final dividend of 7.3p will be paid on September 5, taking the total dividend to 10.7p, up by 6 per cent. *Tempos, page 28*

Lloyd backs Snakeboard

DAVID LLOYD, the former tennis player, has agreed to lend £200,000 to Snakeboard International, the skateboard company whose shares trade on the Alternative Investment Market, and will become its non-executive chairman. The company suffered a £370,000 loss in the six months to March 31 after production failures stopped shipments of its steerable skateboards. However, it won orders of \$1.1 million in June. Directors have agreed to a 33 per cent pay cut and surrendered 50 per cent of their share options. *Market report, page 28*

Metroteck turnover rises

METROTECK INDUSTRIES, the manufacturer and supplier of pipeline protection products, lifted pre-tax profits to £926,000 from £106,000 in the year to March 31, on turnover that rose to £15.7 million from £13.4 million. The final dividend is 0.65p a share, making a total of 1p (0.7p), payable from earnings that rose to 2.84p a share from 0.43p. The company is based in West Yorkshire and exports 90 per cent of its products, mainly to markets in South-East Asia and the Indian sub-continent.

Warning for insurers

THE UK is heading for a massive increase in lawsuits aimed at making professional indemnity insurance policies pay out, a Lloyd's of London conference was told yesterday. David McIntosh, senior partner at Davies Arnold Cooper, the law firm, said that industry watchdogs, consumer groups and the Government will increasingly take the initiative in suing companies that supply allegedly faulty products or services.

Cox plans are shelved

COX INSURANCE, based at Lloyd's of London, has shelved plans to buy underwriting capacity from individual insurers in its syndicates because they had unrealistic expectations of the value of their interest. Describing market conditions as "extremely competitive", the group unveiled pre-tax profit for the year to March 31 of £17.1 million (£1.3 million). Earnings per share were 13.8p (3.6p). The board is recommending a final dividend of 2.1p, making a total of 3.85p (nil).

Hewlett Packard growth

HEWLETT PACKARD, the US computer company, is to invest 1.6 billion in expanding its manufacturing plant in the Republic of Ireland. The new facility will assemble printer pens for inkjet printers and will create a further 1,000 jobs at Kildare over the next four years. Negotiations between Hewlett Packard and the IDB, Ireland's job-creation agency, about a further 300 jobs at a new wafer fabrication plant at the site are expected to be finalised in the next month.

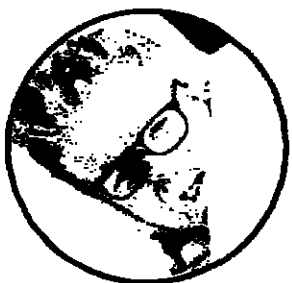
O&R makes £6.5m bid

OWEN & ROBINSON, the retailer being turned round by Egon von Greyerz, the former Dixons finance director, announced its first deal yesterday, a £6.5 million agreed bid for Capolito Roma. Owen is also raising around £3.6 million through a placing at 9.5p a share and an open offer. Michael Abrams, chairman and managing director of Capolito, will become chief executive of the enlarged group. Owen shares rose ½p to 11p.

THE SUNDAY TIMES



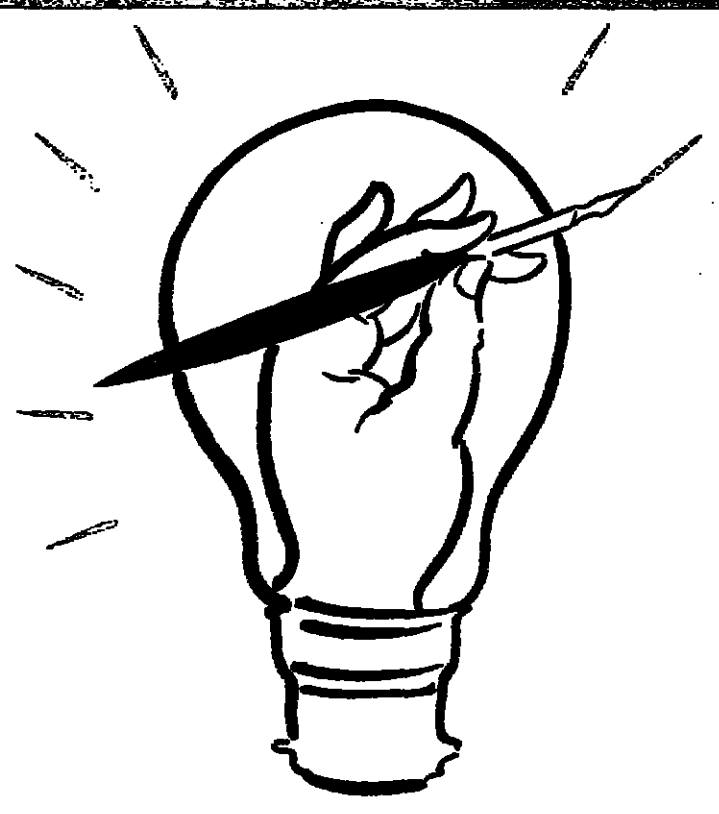
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GINGER WHINE
TV's bête noire,
Chris Evans, wonders
why he makes so many
people see red



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Bosnian girl fought for life.
Part two of her father's
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THE SUNDAY TIMES IS THE SUNDAY PAPERS

Watchdogs act over Net deals

By ROBERT MILLER

CITY watchdogs are to hold urgent talks with their international counterparts on how to protect investors who are expected to buy billions of pounds worth of long-term investments on the Internet within the next three years.

A report - *The Internet and Financial Services* - published yesterday by the Centre for the Study of Financial Innovation, and backed by the Securities and Investments Board, the chief City watchdog, is to be used as a basis for regulators to formulate a common approach to patrolling the Internet. Andrew Winckler, SIB's chief executive, said watchdogs "favoured firms flagging their authorisation which could then be checked on the SIB Central Register."

TOURIST RATES

	Bank Buys	Bank Sells
Australia \$	2.28	2.12
Austria Sch	20.86	19.35
Belgium Fl	61.55	59.91
Canada \$	2.401	2.226
Denmark Dkr	8.80	8.616
Dutch Gld	11.35	10.53
Finland Mk	9.01	8.21
France Fr	10.60	9.26
Germany Dm	2.99	2.76
Greece Dr	474	437
Hong Kong \$	13.48	12.28
Iceland Is	127	107
Ireland P	1.14	1.06
Israel Sh	5.95	5.36
Italy Lira	2045	2723
Japan Yen	201.90	185.50
Malta M	0.655	0.608
Netherlands Gld	3.373	3.096
New Zealand \$	2.54	2.32
Norway Kr	12.48	11.80
Portugal Esc	207.50	277.00
S Africa Rd	8.11	7.19
Spain Ptas	250.00	232.50
Sweden Kr	13.44	12.41
Switzerland Fr	2.51	2.31
Turkey Lira	249885	231381
USA \$	1.743	1.609

Rules for small denomination banknotes only as supplied by Barclays Bank. Different rules apply to travellers' cheques. Rates as at close of trading yesterday.

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Handwritten text in Arabic script: "د. محمد الراجحي"

Take the weight off, Lord Weinstock



COMMENTARY
by our City Editor

Lord Weinstock has found difficulty in shrugging off the habit of more than 30 years. Now chairman emeritus of GEC, he still heads purposefully for the office most days and makes his presence felt. His continuing involvement may not be exactly to George Simpson's liking. Although Simpson was Weinstock's chosen successor, to the extent that the cost-conscious peer was prepared to pay Lucas for allowing him an early escape from his contract, he could be forgiven if he now wishes that the chairman emeritus would learn the meaning of retirement.

Instead, Lord Weinstock still tends to carry on, as he always did, as if he owned the company, in which case, of course, he might be expected to appoint a new chairman for the company. George Simpson, understandingly, does not see the chairmanship as being in Lord Weinstock's gift, any more than would those devotees of Cadbury's correctness, who would be reaching for the smelling salts at such a suggestion.

The tussle over who should take over as chairman has forced the present incumbent, Lord Prior, to postpone his planned retirement from this autumn to next spring, but he is adamant that he will not be persuaded to delay beyond that.

The former Cabinet Minister has proved such a success as a travelling salesman for GEC that both Weinstock and Simpson are

said to be of the view that the ideal CV would include an important role in politics, but as to which politician, they have been in vigorous disagreement. Lord Weinstock has made it clear to friends that Michael Heseltine, the former President of the Board of Trade, would be his ideal candidate. Unfortunately, Simpson feels equally strongly against Heseltine being appointed. The rest of the GEC board is said to be divided on the issue, but the problem may have been solved for them by Mr Heseltine's recent brief health scare and his determined wife Anne, who is apparently anxious to lower her husband's stress levels.

The name of Anthony Nelson, a former Treasury and Industry Minister, is now being mentioned, but there seems little chance of a true compromise candidate being found. Simpson, understandably, wants to see his own man in the job. Winning that round would bring the added bonus of almost certainly persuading Lord Weinstock that he should spend more time with his horses and accept that his days at GEC have come to an end.

The three new non-executives appointed yesterday had the

aura of a new era dawning. They may provide Simpson with the support he needs to reshape GEC for the next century.

Next month he will lift the veil on the strategy he has been drawing up since first trying to get to grips with the multitude of subsidiaries and joint ventures that Lord Weinstock constructed. Inevitably, there must be disposals. It will be painful for the chairman emeritus to watch. He should avert his gaze.

Burton suits Jarvis

Burton Group shares have been full of excitement since unfounded rumours had chief executive John Hoerner departing, then staying, then being promoted to chairman of the fashion retailer.

The middle one is the right one, and ample reason why the stock should be strong. Since becoming

chief executive of the group in 1992, the imported American has rebuilt Burton from the ravages of the Sir Ralph Halpern era. He insists that he has no intention of quitting before the end of the century: he enjoys the job and he is not finished yet. It still rankles with him that he has not yet found the formula that will entice men into buying their clothes from Burton.

But while Hoerner will continue to run the group, there is to be change at the top. Sir John Hoskyns, who has been chairman since 1990, is ready to retire. Despite a spell as head of the Prime Minister's policy unit under Margaret Thatcher, Sir John does not look the septuagenarian he is. Nonetheless, he is to pack his bags. And those rumours which have been circulating around Burton now point to his most likely successor being Peter Jarvis, who has just bowed out from the chief executive's chair at Whitbread.

Jarvis has been on the Burton board for several years and would slip easily into the role. There had been suggestions that he might be destined to join the growing ranks of those top business people employed on government business, probably heading up the Low Pay Unit which is to be instrumental in setting the minimum wage.

Apparently, he could not agree the terms of reference with the politicians, so he is now likely to deal with the consequences of their deliberations.

Like so many businesses, Burton can live with the principle of a minimum wage, it is the level at which it is set which is the issue. And there are fears that once set, it would be subject to pressure for annual increases that were generously above the rate of inflation. That is when the minimum wage really will begin to cost jobs.

Jarvis will, no doubt, be well placed to argue about the level

from the employers' point of view, having turned down the seat on the other side of the table. And with him installed in the chairman's office, Hoerner would be able to slip away occasionally for his other commitments. He has just taken over as chairman of the British Fashion Council, a role once fulfilled by his Burton predecessor, the energetic Halpern.

Pyrrhic victory for Big Mac

Three years in court and £10 million have proved that McDonald's is not the apotheosis of evil, as the varied claims made in *Whar's Wrong With McDonald's?* seemed to suggest. The case has also revealed, inevitably, a less than flattering picture of a typical flawed multinational.

The list of damning but unproven charges may be long. The few criticisms that Mr Justice Bell found to be justified — using some low wage practices, being an accomplice to cruelty to animals and exploiting children in marketing to seduce their families to a fatty diet — is certain to gain more attention. That may make other corporates wonder

whether it is wise to plead libel. McDonald's is doubtless trying to be the best in its business. But it is imprisoned by the nature of its products and the stress on cheapness. Its reputation is vulnerable to instances of corner-cutting among suppliers, who are of necessity under even tougher commercial pressures on cost and specification from the world's biggest food service customer. McDonald's leads world markets for beef and hamburger flippers, so good and bad practices rub off on others.

This would have emerged more quietly and painlessly from an independent social and environmental audit, allowing the group to deal with genuine issues while refuting unfair charges. It might have learnt that price wars are a daft strategy for a faltering market leader whose cost efficiency could ultimately become a marketing liability.

Generous Giordano

THERE are rumours that BG may soon part with a top executive. Philip Rogerson, the deputy chairman of BG, one half of the former British Gas, is set to leave the company early (See Commentary, this page). Mr Rogerson, who led BG's failed representations to the Monopolies and Mergers Commission over pricing plans for Transco, the pipelines business, is said to be looking at other opportunities. Ideally he wants a high-profile chairmanship. An insider said: "Everyone knows that there isn't a role for Philip any more. It is just a matter of time before he leaves."

Rogerson set to leave BG after defeat

By CHRISTINE BUCKLEY, INDUSTRIAL CORRESPONDENT

SPECULATION is growing that Philip Rogerson, deputy chairman of BG, one half of the former British Gas, is set to leave the company early (See Commentary, this page).

Mr Rogerson, who led BG's failed representations to the Monopolies and Mergers Commission over pricing plans for Transco, the pipelines business, is said to be looking at other opportunities. Ideally he wants a high-profile chairmanship. An insider said: "Everyone knows that there isn't a role for Philip any more. It is just a matter of time before he leaves."

Another source close to the company said he was not expected to complete the full term of his contract. Early departure is unlikely to involve severance pay. His contract was changed after he failed in his aspirations to become chief executive of BG when British Gas was demerged in February.

Mr Rogerson was a notable absentee on Wednesday when BG had to face the music at the publication of the Monop-

olies and Merger Commission's report. The report endorsed the gas regulator's price curbs, against which Mr Rogerson had mounted a vitriolic campaign. Earlier this week he was appointed non-executive deputy chairman-designate of Aggreko, the generator hire company that will be demerged from Christian Salvesen in September.

Mr Rogerson's absence from the spotlight on Wednesday came in spite of the fact that he is supposed to have remained in charge of regulatory issues for BG. But David Varney, chief executive of BG, said Mr Rogerson had not been involved in the MMC inquiry since February.

Mr Rogerson is on a fixed contract until the end of 1999 although he can terminate his employment with a month's notice from the beginning of next year. A deal could cut short the contract. Last year his salary was £305,000.

BG said yesterday: "It is not imminent that Philip Rogerson is going. He continues as deputy chairman."

Expansion objective for Courts

By SARAH CUNNINGHAM

COURTS, the furniture retailer, reported sharply higher profits and said it is to step up its expansion programme.

In the year to March 31, pre-tax profit rose 30 per cent to £29.46 million. Like-for-like sales in the UK grew 23.6 per cent, powered by the introduction in late 1995 of interest-free credit.

The company is to open up to ten stores in Britain this year. Overseas, it is planning to open some 20 stores, with most in the Far East.

Like-for-like growth in the UK in the first few weeks of this year started in single figures but is now in double figures in Britain and overseas. The final dividend is being increased from 2.10p to 2.75p, payable on October 10. This makes a full-year 3.75p (3p).

Securicor warning on phones

By ERIC REGULY

SECURICOR, the security group, has given warning that losses will continue at its mobile-phone services division because private customers are unreliable bill payers.

The division, Securicor Cellular Services, lost £3.9 million in the half to March 31, after a small profit previously. It sells mobile-phone connection contracts for Celine, owned by Securicor and British Telecom. Securicor's pre-tax profits before exceptional items and discontinued operations were £56.1 million (£57.7 million). After exceptional items, including an £18 million write-down on Celine Services, pre-tax profits were £19.1 million (£47.6 million). The 0.39p interim dividend is up 10 per cent.

Tempus, page 28

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STOCK MARKET

MICHAEL CLARK

Speculators eye Domecq after raid on GrandMet

WHILE LVMH was snapping up 11.6 per cent of Grand Metropolitan, the speculators were turning their attention to Allied Domecq.

Shares in the drinks group, which includes Ballantine's and Canadian Club whiskeys, Beefeater Gin and Harvey's sherries, raced up 13.1p to 428p in late trading as almost 15 million shares changed hands. Hopes are growing by the day that Allied may be snapped up by Seagrams, the north American drinks company, in a move to counter the proposed merger of Guinness and GrandMet.

Both Seagrams and Allied have objected to the proposed £23 billion merger. At these levels, Allied is capitalised at £4.4 billion - well within the price range of a company as big as Seagrams.

LVMH's raid on GrandMet saw BZW pick up a total of 245.5 million shares at 630p. There was speculation that one parcel of 100 million shares may have belonged to Mercury Asset Management, which, at the last count, owned 105 million GrandMet shares, or 4.9 per cent.

GrandMet closed last night 17.5p dearer at a new high of 603.5p. After purchases earlier this week, LVMH now owns almost 12 per cent.

Most brokers took the view the raid was designed to give the French company more bargaining power at the negotiating table. It has fiercely objected to the proposed move by Guinness, its trading partner, where it already owns a 14 per cent stake. It has threatened to scupper the merger through the French courts. Dealers say LVMH may now be looking for a three-way tie-up. Guinness finished 15p better at 605p.

Share prices generally spent a volatile session, with investors still wary about the forthcoming Budget. Persistent worries about a rise in interest rates saw the FTSE 100 index lose an early lead. At one stage, it was nursing a fall of almost 30 points before rallying on the back of a strong start to trading on Wall Street. The index eventually closed 3.3 down at 4,653.7.

The raid on GrandMet saw total turnover top more than one billion shares.

Lloyds TSB rose 14.5p to 620p on turnover of 17 million shares. ABN Amro Hoare Govett, the broker, has raised its numbers, while SBC War-



David Lloyd now heads up Snakeboard, unchanged at 1.1p

burg has lifted its recommendation from a "hold" to "buy". Bank of Scotland put on 7.5p at 380.5p amid suggestions it may be the next merger target for troubled NatWest Group, 1.1p firmer at 751.5p.

David Lloyd, the former tennis professional, may be seen less at next week's Wimbledon tennis championships. He has been appointed non-executive chairman of struggling Snakeboard International, unchanged at 1.1p and has also agreed to subscribe £200,000 in a convertible loan facility.

We could hear this morning that Cater Allen, 1.1p lighter at 545p, has agreed bid terms with Abbey National, 3p better at 852p.

RJB Mining tumbled 15.5p to 540p amid suggestions that BZW, its own broker, has

downgraded its profits forecast for the current year.

Hopes that a deal may soon be struck between the tobacco companies and the complainants in the US courts lifted BAT Industries 14p to 82p and Imperial Tobacco 1p to 408p.

Brokers are split over prospects for BICC, 1p cheaper at 181p. Earlier this week, ABN Amro Hoare Govett recommended the shares after a meeting with the company. Yesterday, Credit Lyonnais Loring took an opposite view.

Vodafone finished 21.5p easier at 298.5p as a further 8.3 million shares were traded. The price has risen rapidly from the 250p level, reaching its target price of 300p.

Kalamazoo Computer touched 77.5p on the news that it talks with Lynx Holdings, 1.1p firmer at 102.5p, had broken down. The price later rallied and finished just 3.1p higher at 84p.

McDonnell Information Systems touched 19.5p before ending the session 0.1p lower at a new low of 20p after warning of substantial losses being incurred during 1996.

There was a positive response to the upbeat comments about current trading at the Silk Industries AGM, with the shares jumping 9.1p to 114.5p.

GILT-EDGED: After trading sideways for much of the morning, bond prices fell sharply in late trading after being hit by a "double whammy".

First it was a stronger than expected rise in the Philadelphia Federal Reserve Index. Then came the news that the National Audit Office had downgraded its forecast growth number from 2.5 per cent to 2.25 per cent and raised the PSBR estimate by £7 billion. This added to fears that a rise in base rates may not be far off.

In the futures pit, the September series of the long gilt fell 1.5p to £113.75 as \$5,000 contracts were completed.

Treasury 8 per cent 2015 shed £12.50 at £107.50, while Treasury 8 per cent 2000 was five ticks off at £102.50.

NEW YORK: Shares moved off earlier highs in late morning trade after a downturn in bond prices and negative comments from brokerages. By midday the Dow Jones industrial average was 37.51 points higher at 7,756.25.

MAJOR INDICES

New York (midday):
Dow Jones 7756.25 (+37.51)
S&P Composite 933.55 (+4.49)

Tokyo:
Nikkei Average 20507.85 (+10.00)

Hong Kong:
Hang Seng 14506.49 (+302.00)

Amsterdam:
EEX Index 856.59 (+7.40)

Sydney:
ASX 2693.30 (+10.00)

Frankfurt:
DAX 3748.21 (+19.00)

Singapore:
Straits 2002.97 (+17.83)

Brussels:
General 1378.85 (+11.48)

Paris:
CAC-40 2739.69 (+12.05)

Zurich:
SIX Gen 100.14 (+0.44)

London:
FT 30 3015.11 (+4.11)
FTSE 100 4653.73 (+3.30)
FTSE 250 2252.2 (+3.50)
FTSE 350 2252.2 (+3.50)
FTSE Europe 100 2455.60 (+2.72)
FTSE All-Share 2455.60 (+2.72)
FTSE Non Financials 2240.86 (+4.00)
FTSE Fixed Interest 123.15 (+0.48)
FTSE Govt Secs 96.04 (+0.25)
Bank of England official rate (50p) 1.4667
EBCU 1.569 May (2.5%) Jan 1997-100
RPI 156.3 May (2.5%) Jan 1987-100

RECENT ISSUES

Aston Villa 797p + 7p
Caradon B 85 + 10
Gallagher 301.1
Hallifax 745 + 10p
Heart of Midlothian 111p
Highland Timber 127p
Integrated As Mgmt 125
Intr Biotech C Shares 9p
Longbridge Int 177p
Northwich Union 320p
Powdermill Pharms 197p
Royalblue Group 310
SBS Group 111p + 1
Topps Tiles 112p
Versatile Group 3p

RIGHTS ISSUES

Century Inns n/p (155) 2 - 2p
Pillar Props n/p (205) 15

MAJOR CHANGES

RISES:
Tescop 247p (+15p)
Shield Dag 552p (+30p)
Staple 180p (+8p)
Swire Pacific 527p (+21p)
Central Pacific 499p (+18p)
ICI 889p (+26p)
Guinness 605p (+15p)
Lloyds TSB 620p (+14p)
Alliance & Leic 599p (+11p)
Lloyds 745p (+4p)
Logica 702p (+7p)
FALLS:
DCA Group 230p (-22p)
Glencon Hgds 178p (-12p)
Scotia 341p (-18p)
RJB 346p (-15p)
Lavender 249p (-11p)
Diagonal 355p (-15p)
Davis Service 262p (-10p)
AB Food 544p (-20p)
Castings 219p (-4p)
Adam & Harvey 220p (-10p)
Delphi 752p (-25p)
Scot Wls 470p (-15p)
Dorons Gp 506p (-13p)
Soton Health 445p (-8p)
All Nippon Air 383p (-8p)

Closing Prices Page 30

LONDON FINANCIAL FUTURES

Period	Open	High	Low	Sett	Vol
Long Gilt	114.01	114.05	113.28	113.76	51
German Govt Bond (Bund)	113.21	113.29	113.01	113.07	32
Previous open interest: 14,045					
Italian Govt Bond (BTP)	109.31	109.35	108.55	108.64	245
Previous open interest: 24,905					
Japanese Govt Bond (UGB)	124.05	124.08	123.40	123.41	10
Previous open interest: 14,115					
Three Mth Sterling	92.08	92.07	91.94	91.94	2473
Previous open interest: 14,045					
Three Mth Eurodollar	92.08	92.07	91.94	91.94	2473
Previous open interest: 14,045					
Three Mth Euroswap	92.08	92.07	91.94	91.94	2473
Previous open interest: 14,045					
Three Mth Euribor	92.08	92.07	91.94	91.94	2473
Previous open interest: 14,045					
Three Mth Euribor swap	92.08	92.07	91.94	91.94	2473
Previous open interest: 14,045					
Three Mth ECU	92.08	92.07	91.94	91.94	2473
Previous open interest: 14,045					
FTSE 100	4653.73	4653.73	4653.73	4653.73	2947
Previous open interest: 14,045					

MONEY RATES (%)

Period	Open	High	Low	Sett	Vol
Base Rate Clearing Bank	1.4667	1.4667	1.4667	1.4667	1
Bank of England	1.4667	1.4667	1.4667	1.4667	1
Treasury Bills (Discount)	1.4667	1.4667	1.4667	1.4667	1
1 month	1.4667	1.4667	1.4667	1.4667	1
3 month	1.4667	1.4667	1.4667	1.4667	1
6 month	1.4667	1.4667	1.4667	1.4667	1
12 month	1.4667	1.4667	1.4667	1.4667	1

EUROPEAN MONEY DEPOSITS (%)

Currency	7 day	1 month	3 month	6 month	Call
Dollar	5.44	5.44	5.44	5.44	5.44
Deutsche Mark	5.44	5.44	5.44	5.44	5.44
French Franc	5.44	5.44	5.44	5.44	5.44
Swiss Franc	5.44	5.44	5.44	5.44	5.44
Yen	5.44	5.44	5.44	5.44	5.44

GOLD/PRECIOUS METALS (Baird & Co)

Commodity	Open	High	Low	Sett	Vol
Bullion Open	329.25	329.25	329.25	329.25	1
Low	329.25	329.25	329.25	329.25	1
High	329.25	329.25	329.25	329.25	1
Settling	329.25	329.25	329.25	329.25	1

STERLING SPOT AND FORWARD RATES

Period	Open	High	Low	Sett	Vol
Spot	1.4667	1.4667	1.4667	1.4667	1
1 month	1.4667	1.4667	1.4667	1.4667	1
3 month	1.4667	1.4667	1.4667	1.4667	1
6 month	1.4667	1.4667	1.4667	1.4667	1
12 month	1.4667	1.4667	1.4667	1.4667	1

TEMPUS

Long-distance solution

SECURICOR has always been dominated by one high-quality business, Celine, the second largest mobile phone company, and several mediocre ones, notably its army of lowly paid security guards. Now even the high-quality bit is looking weak.

Celine, which is jointly owned with British Telecom, reported higher operating profits but the rate of growth is slowing as more customers become harder to win. More importantly, Securicor Cellular Services, the division that acts as the mobile-phone service provider for Celine, is now loss-making. In an effort to keep growing, service providers are pursuing low-margin consumer customers who ring up more bad debts than the more reliable business customers. Disconnection rates among consumers is also high. Securicor Cellular Services is writing off the

cost of acquiring new subscribers more quickly and took an £18 million exceptional hit in March.

Is there a solution? Not in the short term. Service provision has effectively become a debt collection agency and no one in the industry is making money. Securicor's best hope is that the Labour Government will allow BT to buy Securicor's 40 per cent stake in Celine and take the service company with it.

This, of course, creates another problem because the remaining businesses are not great money spinners. If Celine is sold, the rump bits no doubt will get broken up and sold. In the meantime, there will be little joy for shareholders. Fans of the mobile-phone market will find better value in Orange or Vodafone.

John D Wood

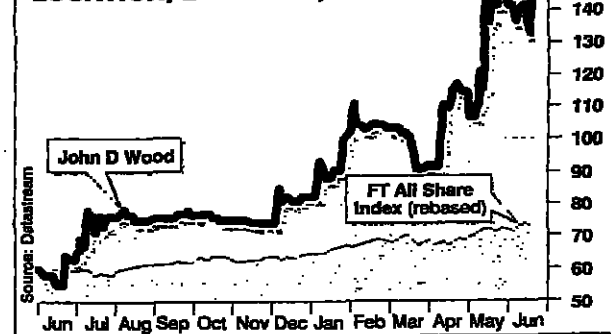
IT IS a sobering thought that John D Wood is being sold for much more than the price of the most expensive house it has recently sold. The estate agent is riding the crest of a wave made up of spectacular bonuses in the City and an influx of foreign money. Hambro Countrywide admits it has probably missed the best of the recent surge in the posh homes market but the estate agency and insurance group claims to be playing a longer game.

Hambro is paying about £700,000 for each of John D Wood's 17 branches, a premium to the £650,000 at which the market values each of Hambro's 713 offices. But Hambro relies mainly on insurance for its profits and the margins that can be generated from an office in Cardiff are less impressive

than the return generated on a deal in Belgrade.

If John D Wood's directors have decided to cash in at a multiple of about ten times expected current year earnings, the market should take note. Mayfair and Chelsea have their own market cycles but the London market generally precedes the rest of the country by a year. Hambro's average house price transaction is climbing and the firm believes the London price gains are beginning to ripple out to the wider world ensuring that most of its loss-making shops are now in profit. That should keep Hambro's earnings on the rise but its share price has already anticipated much of the growth.

LOCATION, LOCATION, LOCATION



Caledonia

THERE was a time when Caledonia Investments scarcely seemed to put a foot wrong, particularly in financial services. Progress in recent years has been much harder. Exco, the money broker that was a triumph for Caledonia in the 1980s, has been badly damaged by the rise of screen-based trading. The purchase of a 29 per cent stake in Ivory & Sims, the accident-prone Edinburgh fund manager, has also turned out badly - to the extent that Caledonia's deputy chairman, Sir David Kinloch, has had to step in to stabilise the firm.

Caledonia has not lost its knack for the surprising deal. The Sun International Hotels investment made in 1983 alongside South Africa's Sol Kerzner continues to look promising, even if the current carrying value has been hit by the strength of sterling. And last year's Bristol Helicopters deal with Offshore

Logistics of the US produced a £25.9 million profit.

A share in Caledonia remains a bet on the investment team's ability to pick winners: the portfolio makes little sense in itself. Caledonia has done a fine job for the Cayzer family, but they can afford to be more trusting than outside shareholders.

The other worry, given the present mood of the markets, is the reliance on the financial sector which will be hit if the stock market suffers a serious correction. Safer investments can be found elsewhere.

ED&F Man

ED&F Man's profits were a pleasant surprise but the reputational problems dogging the company are unlikely to be wiped away by a set of good results. The commodity trading business is known to be extremely unstable. Sugar, cocoa, coffee and spice prices are volatile and

unpredictable. As a result, ED&F Man is one of the few stocks on the London exchange to hold the dubious distinction of a dividend yield roughly equivalent to its P/E multiple.

The 1996 profit boost actually came from the company's separate financial services business. On sugar and cocoa it yet again lost huge sums. While investors will be glad to see the better than expected overall profits, the uncertainty surrounding the company's trading activity actually increased yesterday. ED&F Man was simply lucky that trading losses were smaller than financial services earnings. A move to diversifying the two very uneven divisions would give investors a much clearer choice. Those who want to gamble could buy into the trading venture, the rest would stay with the less volatile financial services. Until then the shares look risky.

EDITED BY CARL MORTISHED

COMMODITIES

Commodity	Open	High	Low	Sett	Vol
CRUDE OIL (London 6.00pm)	17.80	17.80	17.80	17.80	1
CRUDE OIL (New York 6.00pm)	17.80	17.80	17.80	17.80	1
Gold (London)	329.25	329.25	329.25	329.25	1
Gold (New York)	329.25	329.25	329.25	329.25	1
Silver (London)	1.4667	1.4667	1.4667	1.4667	1
Silver (New York)	1.4667	1.4667	1.4667	1.4667	1
Copper (London)	1.4667	1.4667	1.4667	1.4667	1
Copper (New York)	1.4667	1.4667	1.4667	1.4667	1
Aluminum (London)	1.4667	1.4667	1.4667	1.4667	1
Aluminum (New York)	1.4667	1.4667	1.4667	1.4667	1

LIFE OPTIONS

Option	Open	High	Low	Sett	Vol
Call	1.4667	1.4667	1.4667	1.4667	1
Put	1.4667	1.4667	1.4667	1.4667	1
Call	1.4667	1.4667	1.4667	1.4667	1
Put	1.4667	1.4667	1.4667	1.4667	1
Call	1.4667	1.4667	1.4667	1.4667	1
Put	1.4667	1.4667	1.4667	1.4667	1
Call	1.4667	1.4667	1.4667	1.4667	1
Put	1.4667	1.4667	1.4667	1.4667	1
Call	1.4667	1.4667	1.4667	1.4667	1
Put	1.4667	1.4667	1.4667	1.4667	1

DOLLAR RATES

Period	Open	High	Low	Sett	Vol
Australia	1.3358	1.3358	1.3358	1.3358	1
Belgium	1.2152	1.2152	1.2152	1.2152	1
Canada	0.6911	0.6911	0.6911	0.6911	1
Denmark	0.5759	0.5759	0.5759	0.5759	1
France	0.5826	0.5826	0.5826	0.5826	1
Germany	1.7286	1.7286	1.7286	1.7286	1
Hong Kong	7.7410	7.7410	7.7410	7.7410	1
Ireland	0.7810	0.7810	0.7810	0.7810	1
Italy	0.9420	0.9420	0.9420	0.9420	1
Japan	114.14	114.14	114.14	114.14	1
Netherlands	1.6431	1.6431	1.6431	1.6431	1
Norway	7.2625	7.2625	7.2625	7.2625	1
Portugal	17.06	17.06	17.06	17.06	1
Singapore	1.4521	1.4521	1.4521	1.4521	1
Spain	145.70	145.70	145.70	145.70	1
Sweden	1.0717	1.0717	1.0717	1.0717	1
Switzerland	1.4818	1.4818	1.4818	1.4818	1

OTHER STERLING

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ECONOMIC VIEW



ANATOLE KALETSKY

Week that made triple whammy look certain

With just two weeks to go before the first Labour Budget since 1979, it is time to stop criticising the broad economic strategy adopted by the new Government and to look at what Gordon Brown may actually do, given the beliefs that, for better or worse, he holds. The Chancellor's Budget strategy will be the subject of the next two Economic Views: this week on the broad Budget judgment and next week on some of the detailed measures that could appeal to Mr Brown.

The Chancellor's Budget judgment must surely have been affected by three big events this week: the collective insanity of the Tories, the National Audit Office report yesterday on the public finances and Wednesday's announcement of the strongest consumer spending figures since 1988.

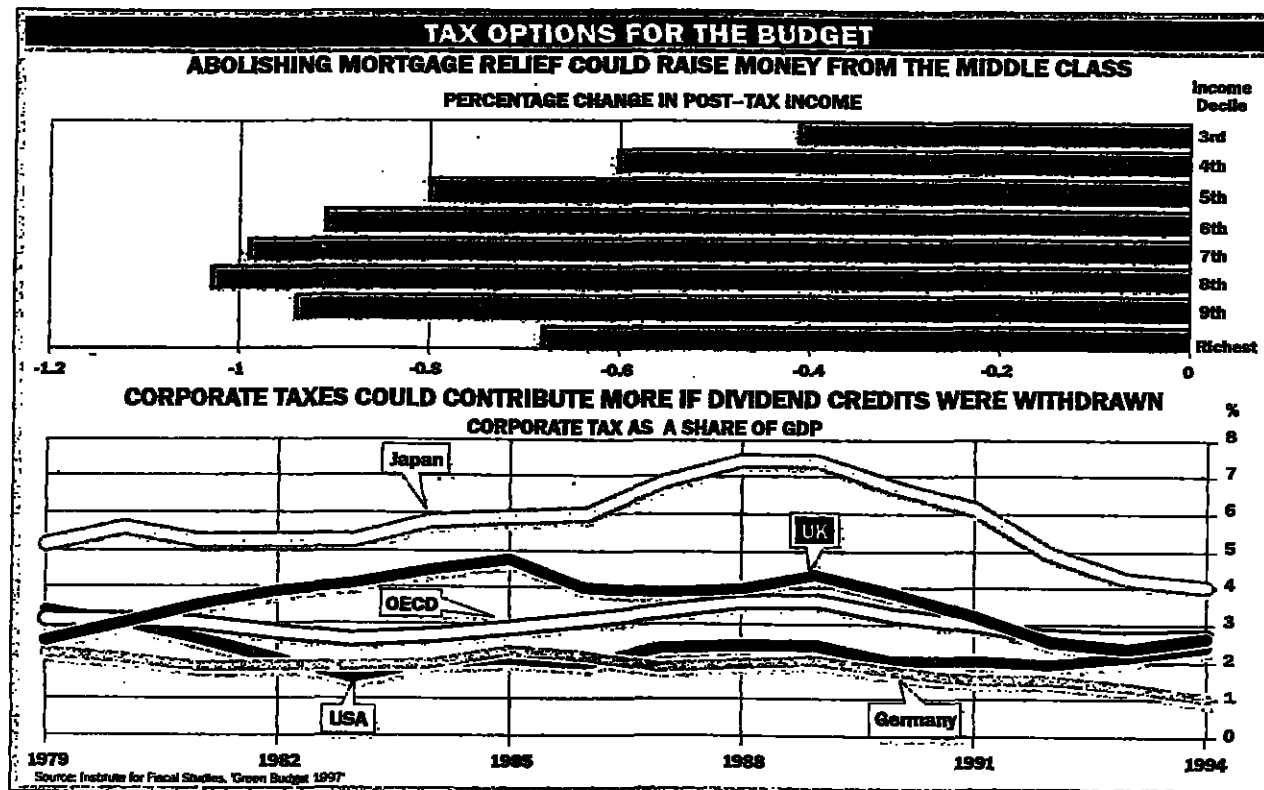
The Tory leadership contest has virtually eliminated the one serious threat to the re-election of a Labour government in five years' time: the possibility that an Opposition Leader or Shadow Chancellor with a proven economic track record would make political capital out of the downturn in the economy that now appears inevitable in 1998 or 1999. With the Tories deprived of convincing leaders and still absorbed by their fantasies about Europe, they are unlikely to mount an effective opposition for many years to come. This gives Gordon Brown a strong incentive to

introduce harsh measures as quickly as possible. By combining a tough Budget, with a £3 billion to £5 billion increase in taxes, with the higher interest rates and further appreciation of sterling that now look inevitable, Mr Brown could hope to get any economic downturn out of the way as soon as possible and certainly before it is time to start worrying about re-election in 1999 and beyond.

The NAO report also points towards a tough Budget, albeit not as dramatically as Mr Brown had probably hoped. The Chancellor had hoped that the NAO would present a very bleak analysis of the public finance forecasts produced by Kenneth Clarke in his last Budget. This would give credence to Labour suspicions about Tory frauds and falsehoods and could have been used to justify a big increase in taxes, with the blame shifted onto Mr Clarke. This strategy seems to have failed.

Instead of discovering the "black holes" imagined by Mr Brown, Sir John Bourn, the Comptroller and Auditor-General, showed admirable professional detachment and refused to allow the NAO to be drawn into political games. Sir John offered no criticisms at all of Mr Clarke's figures, and merely confirmed that the somewhat more cautious assumptions chosen by Mr Brown were also "arrived at systematically and on the basis of available evidence".

Nevertheless, Mr Brown's more pessimistic view does



have implications. With the official estimate of the British economy's potential growth rate downgraded from 2.5 per cent to 2.25 per cent, the Bank of England is almost obliged to raise interest rates more aggressively than it otherwise would have. Meanwhile, the £3 billion addition to the estimate of public borrowing, although well within the margin for error in such figures, creates

the presumption of a similar rise in the total burden of tax. To make matters worse, the indications that £30 billion worth of building society windfalls are feeding straight into consumer spending suggest that none of the conventional policy options, such as modestly higher taxes or mildly higher interest rates, are likely to make any appreciable dent in the consumer boom. Since the

Chancellor, via the NAO report, has effectively rejected the option that I would have favoured — simply to accept that rapid growth, with the attendant inflationary risks, is needed to make inroads into long-term unemployment and the social problems of the underclass — there seems to be only one alternative. This is to encourage the Bank to keep raising interest rates and to

accept that a much higher exchange rate is a price worth paying to subdue the economy and guarantee that inflation will remain under control. Under this policy, "excessive" growth will eventually be subdued not by taking money directly out of the consumer's pocket, but by hitting the export and manufacturing sectors, which, in turn, would restrain wages and lay off workers,

eventually denting consumer confidence by these indirect means. Perhaps significantly, this is the policy favoured by Gavyn Davies, the chief economist of Goldman Sachs and close associate of Mr Brown, who has been widely canvassed as a candidate to be the next Governor of the Bank. As Mr Davies asked rhetorically at his recent presentation of the Institute for Fiscal Studies' Green Budget, "Why use the consumer sector, rather than the foreign sector, as a regulator of demand?"

Mr Davies believes that exporters and manufacturers are, if anything, better able than consumers to cope with sharp changes in their incomes. He also makes the point that the sort of tax increase required to have much impact on demand at present would be so large as to be "politically infeasible". He calculates that a minimum £6 billion increase would be needed just to offset the building society windfalls, while a £9 billion consumer tax would be required to reduce the pressure for higher interest rates by one percentage point.

Assuming that Mr Brown is genuinely determined to "take no risks" with inflation (which I believe he is), substantially higher interest rates will have to be the centrepiece of his strategy, regardless of what he does in the Budget on tax. Mr Davies believes that interest rates will peak at around 7.5 per cent next year, while some other City economists, such as Kevin Gardner, of Morgan

Stanley, believe that base rates could go as high as 8 per cent. This sharp monetary tightening should ensure that sterling will go on rising and that manufacturing profits will continue falling until the point is eventually reached when demand, production and employment all turn sharply down. This could perhaps happen around the middle of next year.

In other words, the "triple whammy" of higher interest rates, a soaring pound and rising taxes, discussed repeatedly in these columns since the Bank was made independent, now looks almost inevitable. A mini-recession, involving at least a modest rise in unemployment starting late next year or early in 1999, therefore seems likely, and, indeed, is implied by yesterday's NAO report. Politically, of course, any such rise in the jobless figures would play into the hands of a revived Tory Opposition and could make life unexpectedly difficult for the Government in the second half of this Parliament.

Given this daunting outlook, it might seem rash for Mr Brown to alienate voters still further by raising their taxes. But the changes in Treasury assumptions outlined by the NAO — perhaps equivalent to the increase of £3.25 billion estimated for the public sector borrowing requirement, this year — mean that some net tax increases will seem to be needed, at least in the long term. In addition, Mr Brown has an ambitious and broadly admirable agenda for removing some of the disincentives to work and reducing taxes at the lower end of the income scale. To make any progress, he will have to find billions of pounds of extra revenue somewhere else.

How can he do this? The short answer is by raising taxes on companies and on the incomes and wealth of the relatively rich. I shall discuss some possibilities in greater detail in next week's Economic View. But the three main contenders are clear. Abolishing mortgage interest relief would raise about £3 billion annually, would break no electoral promises, might help to cool the housing market and would distribute the burden fairly evenly across the classes (see top chart). Abolishing the tax credits on dividends received by pension funds, an option I have discussed in these columns since last autumn, would raise £5 billion, albeit only after a few years. The third main contender would be a tightening in the rules on inheritance, which could transform this into a serious money raiser, instead of a voluntary tax. These and other options will be discussed here next week.

A cocktail that will be shaken and stirred

Alasdair Murray on the regulatory hurdles facing the GrandMet and Guinness merger

The £23 billion merger between Guinness and Grand Metropolitan looked so simple when it was unveiled to an excited City audience a month ago. The two companies would use their complementary strengths to create the largest wine and spirits company in the world, mixing cost-savings and different market strengths in a convincing corporate cocktail.

But for all the careful stage-management of the initial announcements, the merger honeymoon period has quickly ended. Bernard Arnault, chairman of LVMH, Guinness's partner and an opponent of the merger, has dominated the stage in the last two weeks, using his position to stir up trouble. Seagram and Allied Domecq, meanwhile, have been quietly plotting how to torpedo the deal from the outside.

Seagram has already complained to the US regulatory authorities that the merger is anti-competitive and Allied is expected to make similar representations to the European Commission. Guinness and GrandMet have always acknowledged the regulatory process would never be straightforward. The merger is scheduled to take one year to complete, with negotiations embracing regulatory authorities in 180 countries. But it is in Europe and America, the companies' largest markets, that the fate of the merged company, GMG Brands, will be decided in the next four months.

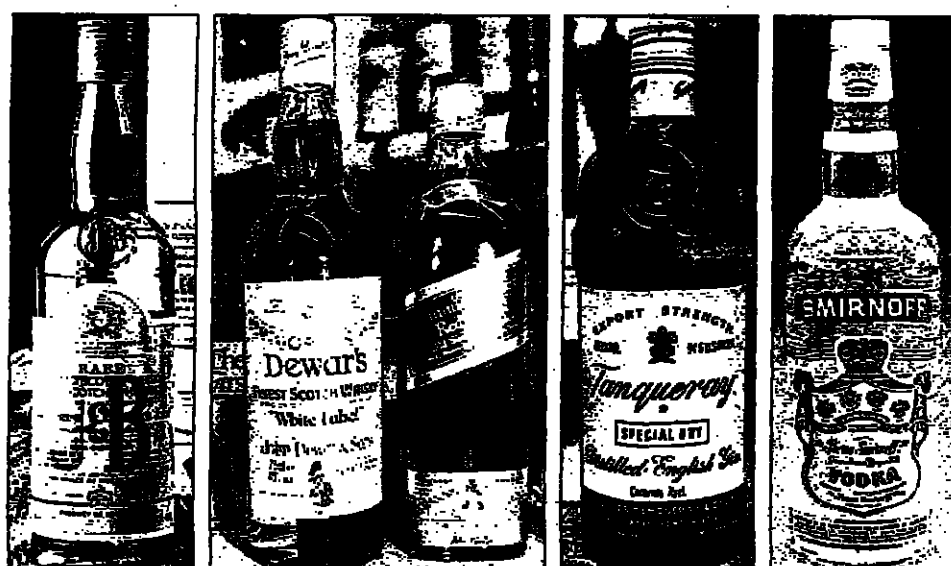
The US Federal Trade Commission confirmed yesterday that its investigation into the

merger will go to a second stage. The competition directorate of the European Commission is expected to confirm today that it will require a closer look at the deal, under a process aptly known as the "serious doubt phase".

The two authorities operate under slightly different rules. The FTC adopts a more mechanistic approach, assessing whether the merger would enable the new company to profitably push through a 5 per cent or more price increase on its own, to decide if the deal is anti-competitive. The European authorities are bound to look at each deal individually and will decide on the issues as the investigation develops.

The crux for Guinness and GrandMet is how tightly the two authorities define the market in which the merged company will operate. In the broadest terms the merger cannot be considered anti-competitive: the two companies will only control around 5 per cent of the highly fragmented global spirits market despite becoming the largest single player in the world. But the two regulatory authorities are almost certain to draw a much tighter definition. The strength of Guinness and GrandMet lies in niche markets such as gin, vodka and Scotch and it is in these areas GMG could run into big regulatory problems.

In America there is a vital difference between an investigation into the merged company's share of the whiskey market, which includes Bourbon and Canadian whiskies, and its undoubted dominance in Scotch. Seagram has, not surprisingly, already com-



A powerful mix brands that will be brought together under the proposed merger

plained that GMG would control around 70 per cent of the US Scotch whiskey market and own the three top brands: Guinness's Dewar's and Johnnie Walker and GrandMet's J&B. If the US regulators do concentrate on this market segment the merged company will have to give ground. GMG's first option would be to dispose of the two million cases a year of Scotch sold on to other brand owners, reducing its market share to around 50 per cent. If it was obliged to sell down further, three smaller brands — Crawford's, Ushers and Scoresby, which are worth around 15 per cent of the

market — would have to go. But GMG would probably opt to simply sell on the distribution rights to these brands in the US to maintain control of the brands in the rest of the world. NatWest estimates that a requirement to reorganise GMG's whiskey portfolio in the US would hit profits by around £25 million.

In America the merged company may also run into problems over its vodka and gin portfolios. GrandMet has only just pushed through a 5 per cent price increase on Smirnoff, the market leader, the first vodka price rise in five years. But despite the tough market conditions, the US

regulators may be concerned that the merged company will be able to manipulate the pricing of the smaller Gordon's vodka brand to push custom towards Smirnoff. In the gin market, the merged company will still lag Seagram's 32 per cent total share, but the FTC could raise concerns about the narrower premium imported gin segment which includes GrandMet's Bombay Sapphire and Guinness's Tanglefoot. But there is little likelihood of the FTC vetoing the deal. Guinness and GrandMet have the advantage of operating in a market dominated by foreign players. The two major

US spirits companies, American Brands and Brown-Forman, are strong in the broader whiskey and liqueurs markets where GMG is relatively weak and there is no sign yet that the two companies have lodged objections to the deal. The FTC has been known to take a protectionist stance in the past but, with little threat to American jobs or American companies, Guinness and GrandMet should escape this censure.

Job losses are likely to be an issue for the European authorities, although both companies have so far attempted to stress that redundancies will be limited. Guinness and GrandMet will be at pains to stress the European element of the deal, claiming the merger is good for Europe as the EU is a net exporter of spirits.

In European terms, the merger hardly appears monopolistic, leaving GMG with a 37 per cent share of the Scotch market, 23 per cent of Vodka, 17 per cent of liqueurs and 14 per cent of gin.

But most observers believe the European authorities will want to look at smaller market segments in individual countries. If this is done, GMG could run into problems in the UK, Germany, Spain and Greece. In the UK the merged company would control a 32 per cent share of the total spirits market. In Spain, where 188 is the market leader, the two companies would have a total share of around 50 per cent of the whiskey market, while in Germany it would control around 39 per cent.

Ironically, Allied Domecq, which stands to lose most from

the merger in Europe, has set a favourable precedent for GMG. The company's purchase of Pedro Domecq in Spain was waved through by the European competition authorities although it gave Allied 26 per cent market share in Spain — less than GMG would hold in any country except the UK. The European authorities also examined the overall whiskies market, rather than the narrower Scotch market, when it looked at that deal.

Guinness and GrandMet's real difficulty is not the threat of a total veto but that they maintain a coherent approach to both investigations. Inconsistencies would be seized upon by competitors.

It allegedly took just four weeks to put the deal together but the two companies will have at least another six months to sweat over whether the merger can clear all the regulatory and competitive hurdles.

UP YOUR INTEREST RATE

property n. Brit. 1 leaf tea served from a silver pot (usu. Earl Grey, English Breakfast etc.) 2 something owned; a possession, esp. real estate.

leasehold n. & adj. 1 judo grip in which an opponent is partly restrained (half lease) or completely restrained (full lease) 2 the holding of property.

tenants n. 1 mythical insects reputed to have the strength of several men 2 a gathering of your uncles' wives (best avoided) 3 persons holding real property by private ownership.

key money n. 1 the cost of harbouring one's yacht 2 expenses incurred in changing locks (usu. after burglary) 3 premium paid by an incoming tenant for premises.

estate n. 1 large four wheeled container for children, dogs, green wellies etc (usu. Volvo, Merc etc) 2 person's collective assets and liabilities 3 landed property.

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Bull in the market

DOWN the rabbit hole again, and into the surreal world of City politics. Next Tuesday we will see the election of two sheriffs out of a field of three, a poll that if it took place in darkest Turkmenistan would prompt condemnation from international observers. As it is happening a few miles from the Mother of Parliaments, no one seems too bothered. But I hear rumblings of further dissent.

There are questions being asked about the lack of advancement afforded to one Anthony Bull, an



"First time I've ever written 'undesirable'"

apparently blameless property man who has been kicking around the Corporation of London for high on 30 years but has not yet made it to sheriff, a necessary precursor to the Lord Mayorship. The point is that the two standing for election on Tuesday are of a slightly later vintage than Bull, which rather suggests he will never make it now.

Shades of Malcolm Matson, the City of London Telecoms entrepreneur also black-balled by the powers that be for no apparent reason a year or two back. All this would be terribly amusing and colourful, what with all those funny ceremonies and driving sheep across Tower Bridge, and so on. But it touches the lives of the 10,000 or so people who live in the City of London. If anyone knows what Bull has done wrong, perhaps they could let me know.

● NOW that destiny has finally caught up with William Hague, I feel the world is ready for a story from his Richmond, North Yorkshire by-election campaign in 1989. One of his opponents was Anthony Mills, who fought under the Campaign for Real Ale banner and in defence of the Ale banner and in defence of the Ale banner and in defence of the Ale banner.



all the candidates to a debate at the aptly-named Boozie, a tiny Yorkshire Dales hamlet. Hague, with an eye to posterity that Tony Blair's spin doctors would admire, primly refused. He opted instead for "a cup of tea at Betty's", a chi-chi chain of tea shops well known in Yorkshire.

Blank drawn

CONTRARY to reports elsewhere, Victor Blank, departing head of Charterhouse, has not been beating the headhunters off with clubs. In fact he claims to have received no job offers whatsoever in recent months, after an approach last year that had to be turned away because of his commitments to the merchant bank. "I

will wait to see what happens — I haven't been talking to people," he insists. The cricket-mad former lawyer hankers after replacing the two or three days a week he devotes to Charterhouse with the chairmanship of a "decent company — a soft industrial company, retail, consumer goods, media. Not heavy industry". That should cause no problem. But there is a surprising twist. Michael Hopper has assumed the reins after arriving there as chief executive from BT in July last year — to the extent even that Blank has been somewhat surplus to requirements. I ask one Charterhouse insider how many days a week Blank has spent at the bank. "Depends whether the cricket is on or not," is the jealous reply.

End is nigh

ANOTHER day, another wild gyrations for the FTSE, and the talking point at most City lunches is, are we heading for another meltdown? Forget for a moment the chartists' views, forget the earnings ratios — I have absolute proof that the end is nigh. I am indebted to stock market historian David Schwartz, the man who also proved that share prices tend to rise in the weeks before fund managers' year-end bonuses are due to be calculated. Funny that. He points out that we have had five interim budgets this century, two of which occurred in 1974. All five budgets coincided with

serious bull markets, it seems. That's a sell.

● WHILE 22 current practitioners had a thin time of it yesterday, one former cricketeer was rather more productive. Bob Willis, former England captain and now a sports pundit, bought the name and business of the National Sporting Club from Granada in a deal worth £1 million-plus that will allow social events to continue at the Café Royal. The club was a great favourite of Lord Forte, who could not countenance its loss. Gerry Robinson at Granada is more hard-headed.

MARTIN WALLER



Bob Willis bought the National Sporting Club for £1 million

Modest losses at the close

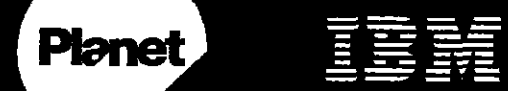
TRADING PERIOD: Settlement takes place five business days after the day of trade. Changes are calculated on the previous day's close, but adjustments are made when a stock is ex-dividend. Changes, yields and price/earnings ratios are based on middle prices.

1997	Low	Company	Price	Change	Yield	P/E
ALCOHOLIC BEVERAGES						
489	487	Adnams Ltd	478	+12	6.9	12.8
579	576	Brewery Co	576	-3	1.2	16.2
613	610	Carlsberg	610	-3	1.2	16.2
1040	1038	Guinness	1038	-2	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
380	378	Heineken	378	-2	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
BANKS						
4509	4507	ABN-Amro	4507	-2	1.2	16.2
451	449	ABN-Amro	449	-2	1.2	16.2
451	449	ABN-Amro	449	-2	1.2	16.2
451	449	ABN-Amro	449	-2	1.2	16.2
451	449	ABN-Amro	449	-2	1.2	16.2
451	449	ABN-Amro	449	-2	1.2	16.2
451	449	ABN-Amro	449	-2	1.2	16.2
451	449	ABN-Amro	449	-2	1.2	16.2
451	449	ABN-Amro	449	-2	1.2	16.2
451	449	ABN-Amro	449	-2	1.2	16.2
BREWERS, PUBS & REST						
879	877	Beck's	877	-2	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
BUILDING & CONSTRUCT						
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
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124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
BUILDING MATERIALS						
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
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124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
CHEMICALS						
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
DISTRIBUTORS						
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
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124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2
124	123	Heineken	123	-1	1.2	16.2

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WATER

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PROPERTY

MINING

LEISURE & HOTELS

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ENGINEERING, VEHICLES

DIVERSIFIED INDUSTRIALS

BANKS

ALCOHOLIC BEVERAGES

BREWERS, PUBS & REST

BUILDING & CONSTRUCT

BUILDING MATERIALS

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PHARMACEUTICALS

Triton seeks London listing

By CARL MORTSHED

TRITON, the US oil company, is to seek a listing for its shares in London. The \$1.8 billion exploration group, which is BP's partner in Colombia, wants to attract UK investors and Thomas Finck, Triton's chairman, believes the company's rapid expansion justifies a UK quote.

Triton has a 12 per cent interest in the Colombian Cusiana and Cupagua oilfields operated by British Petroleum where its share of oil production, currently 18,000 barrels per day, is expected to rise to 50,000 bpd over the next six to nine months. The US oil explorer's most recent discovery has been five gasfields in the Gulf of Thailand with total reserves of nine trillion cubic feet. The fields lie offshore in territory disputed between Thailand and Malaysia but the two governments have agreed a joint development approach. Triton has a half share in a novel joint venture with Petronas, the Malaysian national oil company, which will give it a 25 per cent profit share.

The joint venture is negotiating a sales agreement with PTT, the Thai energy company, and Mr Finck said that Triton would also seek a listing on the Singapore stock exchange. The intention is to link Triton's discoveries into the planned gas pipeline grid linking Thailand, Malaysia, Burma and Cambodia. Triton reported earnings of \$21.6 million in 1996 and will spend \$310 million this year, mainly on its developments in the Gulf of Thailand and Colombia.

Triton considered a London listing two years ago but Mr Finck believes the time is now right. "We are entering the next golden age of oil exploration."

Randgold's chiefs set for \$500,000 float profit

By CARL MORTSHED

THE directors of Randgold Resources have awarded themselves share options at a discount to the offer price in the South African mining group's flotation in London. Peter Flack, the chairman, and Mark Bristow, managing director, could each earn a paper profit of almost \$500,000 upon the listing of Randgold shares.

Randgold, which owns goldmines in Mali, Burkina Faso and Tanzania, is raising up to \$161 million in an international offering sponsored by HSBC Investment Bank. The pathfinder prospectus states that Mr Flack and Mr Bristow will each be granted options to subscribe for 100,000 shares. David Ashworth, the financial director, will be granted options over 50,000 shares.

Randgold's public offering will be priced at between \$18.40 and \$23 a share, but the prospectus says that the directors' options are exercisable at 80 per cent of the offer price in two tranches at the end of March 1998 and March 1999. If Randgold shares begin trading at the offer price, the three directors, collectively, will have made an instant paper profit of almost \$1.2 million.

The Randgold option scheme fails to comply with guidelines set by the Association of British Insurers. An ABI spokesman said that the proposed options failed on three counts. He said: "Our guidelines say that the exercise price should be set at the full market price at date of grant; they should not be exercisable in less than three years and their exercise should be subject to demanding performance conditions."

Mr Flack said that Randgold had chosen to list in London because it was the traditional home of African

mining finance. "As a serious long-term company, we thought we should list on a serious long-term stock exchange," he said.

The mining group's South African parent, Randgold & Exploration will retain half the shares after the offering. The company has a resource base of 7.34 million ounces of gold and made a net pre-tax loss of \$15.7 million in the six months to March.

Randgold's most important asset, the Syama mine in Mali, is expected to come into profit in the three months to June after a sharp reduction in costs from \$351 per ounce of gold to \$305. The company is forecasting that Syama's operating costs will fall to \$250 per ounce by December 1998.

Mr Flack is sanguine about political risk in Mali, where elections were recently annulled because of chaos at the polls. He points to good relations with the government and the labour force. "Our workforce arrives to work on time and sober, and theft is almost non-existent," he said.



Jump start: Michael Symons, chief executive, and Mark Jackson, resources director

Warning hits MDIS price

By OLIVER AUGUST

SHARES in McDonnell Information Systems (MDIS) fell by 15 per cent yesterday after the troubled computer company issued a profit warning.

McDonnell said its 1996 results will show "very substantial losses", resulting from software development contracts entered into before last year. The profit warning was the company's fifth since it came to market in 1994.

A statement said: "The past operating performance of the

group, together with one-off items, have led to a requirement to rebuild the balance sheet and cash position. The board is addressing the issue as a matter of urgency."

The board has yet to publish results for the year to December 31. The results will carry certain exceptional charges and will make full provision for the software contracts. The statement said: "As a consequence, the 1997 results and beyond will more accurately

reflect the underlying performance of the group."

In 1995, pre-tax losses were \$39.4 million. Analysts had expected similar losses for 1996.

A refinancing will be put to shareholders soon. Yesterday, their shares fell 6p, to 28p. A year ago they were worth 83p. They peaked at 264p in 1994.

MDIS is forming a joint venture with Fujitsu to take over MDIS's Chess software. MDIS will have 69.5 per cent; Fujitsu will put in \$25 million.

Acceleration at Helphire

HELPHIRE, the transport group, raised maiden pre-tax profits from £346,648 to £1 million in the year to March 31 on sales up from £2.6 million to £10 million.

Earnings per share rose from 4p to 8.7p. No dividend will be paid for the year although the company intends to adopt a progressive dividend policy reflecting the long-term earnings trend.

Helphire says the new financial year has started well, even though trading is traditionally quiet in the spring.

BUSINESS ROUNDUP

Airbus wins \$2bn Northwest order

AIRBUS, the European consortium, has sold 50 of its A319 aircraft to Northwest Airlines of America for \$2 billion, with an option for a further 100. Delivery of the 125-seat, twin-engine aircraft is scheduled for 1999 through to 2003. The average price for an A319 is \$40 million. Most other US airlines have exclusive supplier contracts with Boeing, Airbus's main rival. British Aerospace has a 20 per cent stake in Airbus.

TI Group's Dowty aerospace business yesterday announced two orders worth £170 million at the Paris air show. The two new clients are Lockheed Martin, of America, which ordered propellers for military aircraft, and Messier-Dowty, TI's joint venture with Snecma, of France, which ordered landing gear for commuter aircraft. TI had already won £100 million worth of orders earlier this week.

Gerrard Group stays flat

GERRARD GROUP, owner of the Greig Middleton private client stockbroking chain, announced flat operating results yesterday. Profits before tax and exceptional items were £22.26 million in the year to March 31 (£22.22 million). However, one-off costs of £7.1 million relating to the purchase of King & Shaxson and the merger of the stockbroking and money market operations, helped to drive down post-exceptional profits to £17.75 million. A final dividend of 8p (15p), due on July 28, makes 16p (23p) for the year.

Symonds races ahead

SYMONDS, the electronic equipment group, raised pre-tax profits 86 per cent to £2.7 million in the year to March 31, on sales up from £14.2 million to £31 million. The total dividend rose from 1.5p to 1.8p, out of earnings down from 4.5p to 3.6p. Rod Ackrill, chairman, said: "Our process technology division is now poised to take advantage of world markets with a broader range of products and, once the precision engineering division is back on track, the future for the whole group looks set for continued growth."

Avocet loss deepens

AVOCET MINING incurred a loss of £2.7 million during the year to March 31 (£2.1 million loss). Losses per share reached 8.4p, up from the previous 8.2p. Avocet said, however, that it made £300,000 in the second half of the year as a result of opening the Penjom goldmine and the closing of a forward gold hedge in December. Jocelyn Waller, the chief executive, said: "We would anticipate an increase in gold production and profitability, together with a tighter market and better price for tungsten."

Ushers' expansion aim

USHERS of Trowbridge, the brewer, reported maiden first-half pre-tax profits of £3.6 million, down from the previous £4.9 million. Ushers will pay an interim dividend of 0.6p out of earnings per share of 4.3p, up from 3.5p on an adjusted basis. Profits before interest and tax slipped from £7.2 million to £7.1 million. Sales rose from £29.7 million to £32.4 million. Roger North, chief executive, said: "A substantial investment programme is under way in our existing estate and we hope to expand the portfolio by complementary acquisitions."

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4370%	10000
4250%	10000
3750%	10000
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2000%	10000



THEATRE 1

The big musical is alive and well and doing excellent business, says Sir Cameron Mackintosh...



THEATRE 2

...despite anything you may hear to the contrary from Lord Lloyd-Webber

THE TIMES ARTS



THEATRE 3

The Wood Demon, an early play by Chekhov, is bravely and intelligently staged at the Playhouse



RADIO

Move over Helena Kennedy and Julia Neuberger, and let's hear some new voices on Radio 4

Sir Cameron Mackintosh thinks that Lord Lloyd-Webber has got it all wrong. Richard Morrison asks him why

My shows are fine, Andrew

The sumptuous Bedford Square drawing room is plump with its customary teddy bears and soft cushions. But the mood of its owner is far from cuddly. Sir Cameron Mackintosh is politely seething. And the cause of the great impresario's irritation is that other colossus of the modern mega-musical: Lord Lloyd-Webber.

Last week, Lloyd-Webber announced that he was in trouble. His Really Useful Group, he said, was expecting a £10 million loss this year. Mackintosh is sympathetic to Lloyd-Webber's plight. They are, he says, still good friends. "And of course," he adds as a friendly afterthought, "what Andrew didn't say was that without the £2 million rent he gets each year from me, for *Les Mis* in the Palace Theatre, he would be in an even worse fix."

But what irks Mackintosh is Lloyd-Webber's contention that musical theatre generally is living "in parlous times", and that "the day of the big musical is ending". Mackintosh bluntly says that such a view "blurs" the distinction between Lloyd-Webber's own difficulties and the health of the musicals business as a whole.

What's more, Mackintosh is alarmed at how quickly Lloyd-Webber's doom-laden views have circulated round the world — and been accepted (gleefully in some quarters) as the truth. "Look at this," he says, thrusting a faxed clipping from an Australian newspaper at me. "That's a reprint of your paper's article about Andrew's remarks. Everything goes straight across the globe now."

One can understand Mackintosh's concerns. Rumours of failure in the theatre world can easily become self-fulfilling if the public loses confidence in the product. If one seemingly impregnable British showbiz empire can totter, so can another. And if Cameron Mackintosh Inc disappears, so do thousands of theatre jobs in Britain and abroad. And so, perhaps, does the West End as we know it. Which is why Mackintosh treats the man from *The Times* to a dazzling recitation of his organisation's balance sheet and prospects.

"Our profits were up this year by 22 per cent, up last year by 25 per cent. Over the next three years I've got 15 shows opening round the world. I've just opened a touring *Les Mis* in Plymouth, and the advance for the first four dates alone is £7 million. *The Miss Saigon* that opened in Amsterdam last Christmas is booked a year in

advance. It's going to run for four years. *Miss Saigon* in Stuttgart will run for ten years. I've got five productions of *Martin Guerre* lined up over the next two years..." He pauses for breath, and dramatic emphasis. "This is not an industry dying on its feet."

How, then, did its most successful composer get it so wrong? Mackintosh believes that "Andrew's huge problems stem from when he turned the Really Useful Group from a copyright-holding company into a producing operation. The productions of *Cats* and *Phantom* which are still hugely successful — and, in London, doing better this year than last — have actually always been run by my office. By contrast, the ones run by

Andrew is surrounded by people who don't fight him artistically"

creative partnership with Lloyd-Webber? "He did ask me to do a couple of his projects. But I wasn't drawn to the material, and I am someone who has to believe passionately in what I do."

It is, of course, the fervour of Mackintosh's commitment to musical theatre that underlies his criticism of Lloyd-Webber. He passionately believes that the big musical not only has a future, but that it can break new ground and still attract audiences worldwide. As he points out, he is one of the few commercial producers "who is always trying to find new writing and put money into it". He supports Oxford professorships of theatre; he gives generous grants to young writers; he even pledged

£500,000 of his own money to top up the Arts Council's "Arts for Everyone" scheme.

But that commitment leads him to make another complaint. This time the target is theatre critics. If Mackintosh was disappointed by their reviews of *Martin Guerre*, the Boublil/Schönberg musical into which he sank £3.5 million, he was furious at the panning of *The Fix*, a musical satire by two American unknowns which Mackintosh produced last month at the Donmar. "Should never have seen the light of all this production investment," the *Daily Mail* sniffed. "Preposterously self-important," said *The Sunday Times*. They were typical verdicts. Mackintosh feels badly let down. He believes that he takes all the

risks in searching out and financing new talent, and then critics "who make their living from the theatre just as much as we do" are unsupportive.

He says the critics simply don't understand how the musical theatre works. "They are good at judging spoken plays; they recognise new talent there. But the moment that the musical goes off in a new direction, they get frightened. Perhaps they are insecure. The only musicals they sort of understand are old ones. Give them a *Crazy for You*, or even a pastiche like *City of Angels*, and they are comfortable. But they can't deal with changes in musical style.

They say 'give us more intelligent new musicals', yet what do they rave about? *Beauty and the Beast*? You do despair. "Of course critics should write dismissive, funny reviews of shows like *Always*, because quite frankly they are not done by serious people. But *The Fix* was written by two writers who could represent the future of the musical, and put on stage by people — Sam Mendes and all — who are at the top of the profession. The critics should pull back and think: what is it about this show that has convinced all these serious people?"

Fine. But didn't Mackintosh spend several months reworking *Martin Guerre* in response to its critical mauling? "Of course I recognised that it needed work. Our story was muddled; we had the right ingredients but we weren't making it clear. But virtually all classic operas were also rewritten radically after their first performances. And what is *Martin Guerre* but a bloody entertaining popular opera? It's up there with *The Force of Destiny*.

"Anyway, there is nothing shameful when the most complex undertaking in dramatic art — the making of a musical — takes time to evolve. The one good thing about the *Martin Guerre* rewrite was that it reminded me, the authors, the public and the critics that this business of ours is not a conveyor belt. It's an art form. And I'm in it for the art, not the money."



Maestro of the song and dance: Cameron Mackintosh boasts a 22 per cent rise in profits — unlike certain other showbiz empires

Too young to be an uncle

When the 28-year-old Chekhov submitted this play to the theatre potentates in St Petersburg, it was rejected as nicely written but over-literary. "You have too much scorn for the stage and you don't value dramatic form enough to compose a play," an influential actor told the already well-known short-story writer. "Composing plays is more difficult than composing fiction, and you're too spoilt by success to embark on a thorough study of the theatre."

If Richard Burbage had told the author of *Richard III* he was a smug sonneteer who should study Gorboduc, the comments would not have been more devastating, and Chekhov was duly devastated.

Indeed, things rapidly got worse. *The Wood Demon* failed in Moscow in 1889, and Chekhov put it away in disgust. Was he right or wrong to do so? The answer suggested by Anthony Clark's fine new production is: both. Right, because Chekhov eventually retrieved the play from its

drawer and transmuted it into the much better *Uncle Vanya*. Wrong, because it is a lively, original work that would be much more often revived if that masterpiece did not exist.

Pre-echoes are everywhere. Snooty, talentless Professor Serebryakov is already driving everyone mad with his endless complaints, and his pretty, aimless young wife, Yelena, is already turning heads and hearts, including those belonging to a Vanya-figure. But Zhorzh, as this character is called, manages to shoot himself rather than fail to shoot Serebryakov. And Astrov is Khushchov, or the Wood Demon: a physician and an ecology freak, but not coarsened by life and drink, and this time as much in love with Sonya as she is with him.

Take away the suicide of a character who, as played by Brian Protheroe, is anyway sourer and meaner than

Vanya, and you are left with a more upbeat piece than any the dramatist wrote later. A shallower one, too, for the ending is jolly and romantic and the people have yet to acquire full Chekhovian richness. Pale, chiselled and intense, Cal Macaninch cannot prevent the Wood Demon coming across as a sub-Tolstoyan prig, whether he is parading his advanced views about forests or denouncing the pettiness of rural Russia or even attacking himself for being, well, a bit of a prig.

Yet at least he ends up joining Abigail Crummen's Yelena in declaring that it is vital to see people as they are, not as society or ideology claims them to be. That is the message ("trademarks and labels I consider to be prejudices") of the famous letter Chekhov wrote while he was composing *The Wood Demon*, and it was to be his artistic

credo. But the play is not only of interest to the student. With Adam Godley playing an insecure roisterer, Mike Burns pottering about as the hapless Waffles, Tom Ward as a lovelorn drip, Philip Voss's Serebryakov exuding bilious self-pity, and the chat eddying about in recognisably Chekhovian style, it should divert anyone.

Altogether, this is a brave choice of play for the West End and a production that bodes well for Patrick Sulaiman's new regime at the Playhouse. But one caveat. Why must the programme list the cast in politically correct, alphabetical order and do so little to identify characters who are almost always called by patronyms, diminutives or nicknames? Why just "Khushchov" for a hero who is never addressed as that? The competition for the most confusing cast-list in London is always intense; but the Playhouse has won it by a mile.

BENEDICT NIGHTINGALE

THEATRE

The Wood Demon Playhouse

I know that voice

JAMES BOYLE, the Controller of Radio 4, would be qualified to run an abattoir if all the sacred cows that he is alleged to be slaughtering actually came under the knife. But it is a curiosity of the medium that while listeners will rise up in anger at the merest hint that a cherished programme is deemed to have passed its sell-by, little fuss is made about the voices that perpetually recur.

Take as the best example Any Questions (Friday, repeated Saturday). Last week one of the panellists was Helena Kennedy, the barrister. Tonight one of the panellists is Rabbit Julia Neuberger. My point being that a regular listener to Any Questions, asked to list ten non-politicians who might be expected to appear in a given week, would almost certainly put Kennedy and Neuberger among them.

Obviously both are women, both are intelligent and both have strong opinions on a

range of issues, therefore they are candidates for the panel. But it is also true that Kennedy and Neuberger are in the category known to journalists as rent-a-quote.

Broadcasting eats up vast quantities of verbiage, and there is a natural tendency for producers to take proven routes rather than explore the risky backwaters of opinion. Discussion programmes are by no means the only culprits. This week I listened to Quote, Unquote (Radio 4, Tuesday), a highly entertaining panel game. One of the panellists was Stephen Fry. He was very good value, but that does not alter the fact that he is among a relatively small group of people whom BBC producers telephone so often they probably get a discount through BT's Family and Friends scheme. Radio should not ignore its proven big fish, but it should be doing more to attract different varieties.

PETER BARNARD

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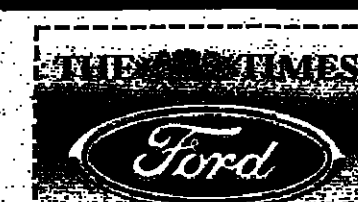
● Madonna gave birth to a baby girl called Lourdes

● Tim Henman reached the quarter finals at Wimbledon

● Bishop of Argyll and the Isles ran off with a girl friend

● *Secrets and Lies* won the Palme d'Or at Cannes

FORD'S 21 YEARS



TOKEN 17

CHANGING TIMES



Paul Weller's latest release, *Heavy Soul*, shows he's still a songwriter with an unusually clear vision



Ry Cooder teams up with a cast of veteran Cuban musicians to produce an album of exotic charm



Extremes of musical delicacy mix with extremes of violence on Spiritualized's third album



Gary Moore puts the blues behind him and sets sail towards a bold new soundscape of drum and bass

If you've still got it, flaunt it

blends in, for the most part, with a buoyant cocktail of voices, percussion, piano and trumpet on a selection of tracks ranging from the 1930s bolero *Dos Gardenias* to Segundo's recent, unusually mournful composition *Chan Chan*.

Guitar hero Gary Moore has closed down his 12-bars and hit the floor dancing. He tells **Paul Sexton** why

● *Dark Days in Paradise* is released by Virgin



Gary Moore: "I love all kinds of music"

Rapture captured

CHARLES LLOYD
Canto
(ECM 1635 537 345-2)
THE re-emergence of Charles Lloyd's meditative, intensely personal tenor sound on ECM has been one of the jazz success stories of the 1990s. Although his overall approach, a self-searching, brooding style aspiring to what he terms "weightless

JAZZ ALBUMS

ness", is not to everyone's taste, there is no disputing its sincerity or its suitability for the label, the unofficial motto of which is: "The most beautiful sound next to silence".

Pianist Bobo Stenson, who has accompanied Lloyd on all five of his ECM outings, brings just the right touch of thoughtful delicacy to the proceedings, and bassist Anders Jormin and drummer Billy Hart are impeccable throughout. There is the odd longueur, but when Lloyd's rapturous music gets there are few jeweller sounds in jazz.

MUHAL RICHARD ABRAMS/MARTY EHRLICH
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(New World Records 80512-2)
THE Brooklyn Museum was the site of the meeting in question, in August 1996, and it produced challenging, but consistently exciting, duo music from two of America's top performers of cutting-edge jazz: pianist/composer Muhal Richard Abrams and saxophonist/clarinettist Marty Ehrlich. Pure delight from the gutsy opener to the blues encore.

CHRIS PARKER


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Interim housing policy lawful

Regina v Camden London Borough Council, Ex parte Mohammed

Before Mr Justice Latham

A policy formulated pursuant to section 188(3) of the Housing Act 1996, which provided that no interim accommodation was to be made available to a person pending a review of his application for housing assistance unless there were exceptional reasons was not unlawful.

Mr Justice Latham so held in the Queen's Bench Division, when, inter alia, dismissing an application by Mrs Angela Mohammed for a declaration that the respondent's policy document entitled *Interim Accommodation: Housing Act 1996, Part VII Section 188* was ultra vires section 188 of the 1996 Act.

An application for certiorari quashing the council's decision not to grant her interim accommodation pending a review of its refusal of her homelessness application was granted on different grounds.

Mr Stephen Knafler for the

applicant; Mr Christopher Baker for the respondent.

MR JUSTICE LATHAM set out sections 188(3), 202 and 204 of the Housing Act 1996, and observed that the discretion in section 188(3) to grant interim accommodation pending a review or appeal was a wide discretion.

The applicant had submitted that the respondent's policy was unlawful because it purported to restrict the exercise of that discretion to those cases where exceptional reasons could be shown.

His Lordship agreed with the applicant that there was nothing in the Act which indicated that there was or should be a restrictive approach to the exercise of the discretionary power; it did not suggest prejudice in favour of or against the granting of interim relief.

However, looking at the structure of the Act, it followed from the unfettered right of an applicant to request a review that the Act clearly did not envisage that the discretionary power would be exercised as a matter of course in favour of such a person.

It seemed to his Lordship that the proper approach in determining the validity of the policy was to look at the situation as it existed on the ground in order to put the policy into its proper context of fact as well as law. His Lordship had heard evidence which showed that there were many requests for review of which very few were found to be meritorious.

His Lordship referred to the speech of Lord Lloyd in *Din v Wandsworth London Borough Council* ([1983] 1 AC 657, 674) and said that it was the function of the local authority which was exercising the discretion to hold the balance between the homeless.

His Lordship said that the phrase "exceptional reasons" could properly be understood to reflect that reality, although he agreed with the applicant that it did appear to determine a prejudice against the exercise of the discretion. The important question therefore was whether the relevant factors were considered when the discretion was exercised.

His Lordship identified the underlying requirement of the exercise of the discretion to be to

keep on the one hand well in mind the objective of fairness to those who were homeless in circumstances where the local housing authority in its first decision had decided there was no duty on it to assist the particular applicant, and on the other hand to give proper consideration to the possibility that the applicant might be right and that to deprive him of accommodation could result in denying him his entitlement.

In carrying out that balancing exercise, circumstances which always required consideration were:

1 The merits of the case itself and the extent to which it could properly be said that the decision was one which was either contrary to the merits of the case or was one which required a fine balance of judgment which could go either way;

2 Whether there was any new material put before the authority which could have a real effect upon the decision under review; and

3 The personal circumstances of the applicant and the consequences to him of an adverse decision on the exercise of the discretion. In some cases, other considerations might prove relevant.

It was all those considerations were to be taken into account and properly given effect to by the authority. His Lordship found that the phrase "exceptional reasons" was a perfectly rational way of describing the approach to be adopted.

His Lordship also wished to address the question of the court's approach to cases where insufficient reasons for a decision had been given by an authority in the context of the new procedures under the Act: the court would be slow to intervene simply to assert that that was a deficiency capable of being remedied, and would only intervene where it was clear that the process of review was rendered incapable of being described as fair as a result of a refusal by the authority to give effect to a deficiency in a letter.

Solicitors: Bindman & Partners; Ms Amanda Kelly, Camden.

Inland Revenue Commissioners v McGuckian

Before Lord Browne-Wilkinson, Lord Lloyd of Berwick, Lord Steyn, Lord Cooke of Thorndon and Lord Clyde

[Speeches June 12]

Where a taxpayer made pre-arranged series of transactions, or a composite transaction, with or without a legitimate commercial or business end and inserted therein steps which had no purpose other than the avoidance of tax, those steps had to be disregarded and the result looked at.

Such transactions were liable to tax falling within section 478 of the Income and Corporation Taxes Act 1970 and the principle of *W. T. Ramsay Ltd v Inland Revenue Commissioners* ([1992] AC 300) and *Furniss v Dawson* ([1984] AC 474).

The House of Lords so held allowing an appeal by the Inland Revenue Commissioners from a decision dated September 13, 1994 of the Court of Appeal in Northern Ireland (Sir Brian Hutton, Lord Chief Justice, Lord Justice Kelly and Lord Justice Carswell) ([1994] STC 888) whereby the court allowed, in part, an appeal by the Crown from a decision of the Commissioner for Special Purposes (Mr Brian O'Brien), who stated the case at the request of both the Crown and the taxpayer, John Brendan McGuckian.

The court had decided, inter alia, that (i) Lord Justice Kelly dissented in the court's decision to uphold the assessment on any basis other than as having been properly made under section 478 and that (ii) the court could remit the case to the commissioner with a direction to treat the assessment as having been made under section 470 of the 1970 Act.

The taxpayer's appeal against the assessment for 1979-80 was allowed by the special commissioner who had decided, inter alia, that the transactions were not a sham and that, since the notice of assessment stated that the tax liability arose under section 478, he could not uphold it under section 470.

Section 478 of the 1970 Act provides: "For... preventing the avoiding by individuals ordinarily resident in the United Kingdom of liability to income tax by means of transfers of assets by virtue of which, either alone or in conjunction with associated operations, income becomes payable to persons resident... out of the United Kingdom, it is hereby enacted..."

Where by virtue of any such transfer, either alone or in conjunction with associated operations, such an individual has... power to enjoy... any income of a person resident... out of the United Kingdom which, if it were income of that individual received by him in the United Kingdom, would be chargeable to income tax by deduction or otherwise, that income shall... be deemed to be the income of that individual for all the purposes of the Income Tax Acts."

Mr Andrew Park, QC and Mr Laurence Henderson, QC, for the Crown; Mr E. G. Hughes, QC, Mr Michael Ashe, QC, Mr Michael Keogh, of the Northern Ireland Bar, and Mr John Smart for the taxpayer.

LORD BROWNE-WILKINSON said that the taxpayer and his wife had been resident in the United Kingdom. In 1970 they owned the entire issued share capital of Ballinamore Textiles Ltd, a Republic of Ireland company.

The company's built-up reserves became available for distribution. In 1976 and 1977, on advice of a tax consultant, certain steps were taken whereby the shares in Ballinamore owned by the taxpayer and his wife were transferred to the trustee of a settlement, Shurtliff Ltd, a Guernsey company. The settlement beneficiaries were the taxpayer and his wife and the income was payable to the wife.

On November 23, 1979 Shurtliff assigned to Mallardchoice Ltd, a United Kingdom company, for a consideration of £296,054 the right to any dividend payable by Ballinamore in 1979.

On November 27, Ballinamore declared a dividend of £400,055, on the Shurtliff shares. It gave a cheque for that amount for Mallardchoice to a Dublin solicitor who paid 99 per cent, that is, £396,054, to Shurtliff and the balance to an agent for Mallardchoice.

For section 478 to apply five conditions had to be satisfied:

1 The taxpayer, or his or her spouse, had made a transfer of assets by virtue of which income became payable to a person resident outside the United Kingdom;

2 There was income of the non-resident;

3 The taxpayer, or his or her spouse, had power to enjoy the income of the non-resident;

4 It was by virtue of the transfer, or the transfer with associated operations, that the taxpayer had power to enjoy the income; and

5 The taxpayer could not take advantage of the defence in section 478(3) afforded to transactions without a tax avoidance objective.

All those conditions were fulfilled.

The Crown argued that, applying the Ramsay principle, the sale of the right to the dividend by Shurtliff to Mallardchoice, although not a sham, had to be disregarded for tax purposes. The sale was an artificial transaction inserted for the sole purpose of gaining a tax advantage. In fact Shurtliff received the dividend as income.

The case fell within the requirements for the application of that principle as stated by Lord Brightman in *Furniss v Dawson*.

First, there must be a pre-arranged series of transactions, or one single composite transaction. That transaction might or might not include the achievement of a legitimate business end.

Second, there must be steps inserted which had no commercial purpose apart from the avoidance of a tax liability.

If those two ingredients existed, the inserted steps must be disregarded. The court must then look at the end result. How the end result would be taxed depended on

Taxing series of transactions

Section 478 of the 1970 Act

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If those two ingredients existed, the inserted steps must be disregarded. The court must then look at the end result. How the end result would be taxed depended on

the terms of the relevant taxing statute.

The only possible conclusion on the facts was that the requirements were satisfied. No business purpose for the assignment of the dividend rights to Mallardchoice had been suggested. Given the genesis of the composite transaction the only possible inference was that the assignment was inserted for the sole purpose of gaining a tax advantage.

The sale and assignment for value to Mallardchoice of the future right to the 1979 dividend was a discrete transaction directed to that dividend alone which was carried through by artificial and prearranged steps inserted for no business purpose.

As such the liability for tax on the indirect receipt of such dividend by Shurtliff had to be determined by stripping out the artificial steps and applying the provisions of the taxes Acts to the real transaction, that is, the payment of a dividend to the shareholder, Shurtliff, which received such dividend as income.

Lord Lloyd agreed and Lord Steyn, Lord Cooke and Lord Clyde delivered concurring opinions.

Solicitors: Solicitors of Inland Revenue; Gregory, Rowcliffe & Milners for Mills Selig, Belfast.

the terms of the relevant taxing statute.

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Corrections

In *R v Maidstone Crown Court, Ex parte Jocka* (*The Times* June 13, 1996) the first decision of August 27, 1996 was by Judge Rook at Canterbury Crown Court; the second on November 22, 1996 was by Judge Croft at Maidstone; and the arraignment was before Judge Rook at Canterbury.

In *Norfolkshire BS v Lewis and Another* (*The Times* June 10) it should have been made clear that Mr Alyn Williams, the employee held jointly and severally liable, did not write the report and had played no part in its preparation.

In *Jenks v Dickinson* (*The Times* June 16) K. Richards & Co. instructing Mr Christopher McCall, QC, are solicitors.

Political party cannot sue in libel

Goldsmith and Another v Bhoyrul and Others

Before Mr Justice Buckley

[Judgment June 11]

It was contrary to the public interest for a political party to have any right at common law to maintain an action for defamation.

Mr Justice Buckley so held, inter alia, in the Queen's Bench Division when deciding in favour of an application by the defendants, Anil Bhoyrul, David Rydell and Sunday Business Newspapers Ltd to strike out the statement of claim of the plaintiffs, Sir James Goldsmith and the "Referendum Party", a company limited by guarantee, for damages and an injunction for libel.

Mr Richard Rampton, QC and

Miss Victoria Sharp for the plaintiffs; Mr David Price, solicitor, for the defendants.

MR JUSTICE BUCKLEY said that although the second plaintiff was a corporation, its only purpose was to operate as a political party.

The defendants had argued that a political party could not sue for libel, and therefore that the pleadings of the second plaintiff disclosed no reasonable cause of action.

It was established in *Derbyshire County Council v Times Newspapers Ltd* ([1993] AC 54) that institutions of central or local government had no right at common law to bring an action for defamation, on the public policy ground that in a free and demo-

cratic society those who held office must always be open to criticism.

To use public interest as a means to prevent a person or body suing in defamation required great caution.

But in his Lordship's judgment the principle should extend to political parties. The public interest in freedom of speech was sufficiently strong and should clearly not be fettered.

His Lordship noted that individual candidates could still bring an action in defamation, including when they could be identified in material published about their party. Accordingly the second plaintiff's claim would be struck out.

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Solicitors: Peter Carter-Ruck & Partners; David Price & Co.

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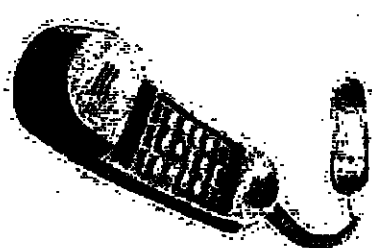
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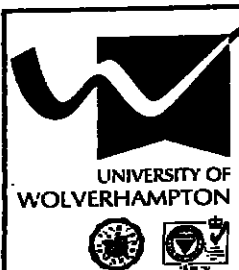
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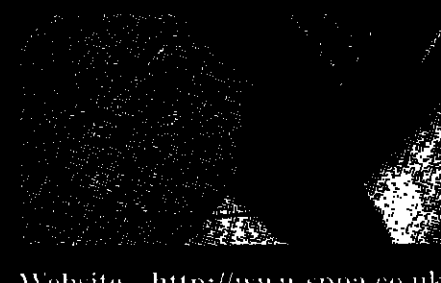
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designed to ensure that providers of training and the TTA make effective use of a range of information about
quality. The Initial Teacher Training and Induction postholder will help to develop and implement a range of
initiatives, designed to support providers of initial training in improving their practice, and to secure effective
induction for newly qualified teachers. The ITTI team also has responsibility for developing the ITT National
Curriculum.

Both Professional Officer roles are at senior level and are wide ranging and demanding. Candidates must have:

- a determination to improve the quality of teaching and teacher training in order to improve the standards of
pupils' achievements
- high level analytical, policy development and implementation skills
- recent experience in education at a senior level, for example in a local authority or provider of teacher training
- excellent interpersonal, oral communication and writing skills
- experience of presenting controversial topics to large audiences
- a proven ability to work both independently and within a team

Please call 0171 925 3770 for an application pack, quoting the relevant reference number:

Initial Teacher Training & Induction post - Ref. ITTI/03/97

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These posts are offered on either a contract or a secondment basis and are based in our offices in Central London.

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EDUCATION

Gill Bowker looks at the problems faced by families forced to relocate with no prospect of a school place for their children next term

Trap for pupils on the move

The end of another academic year approaches. GCSE and A-level examinations are almost completed and most families are looking forward to the holiday. However, there are some who can look forward only with anxiety to the next few weeks. These are the families who are unable to secure school places for their children for the new academic year.

Many of those so affected are families in which the main breadwinner is required by his or her employer to relocate to another part of the country. Despite the high profile of educational issues during the past few months, nothing has been done to resolve some of these problems, which cause distress to families.

Take some of the situations faced by families who have to move. There are those with children who are moving from primary to secondary school.

Applications for secondary places had to be submitted, in most areas, by last November. Late applicants are often not considered until the allocation of places has been made to those applying in time. For those families already living in the area such a restriction is not unreasonable, but what of the family who discover

only after the due date that they have to move to a different area?

Most authorities and grant-maintained schools offer their places as early as March, and because of existing legislation they have to offer all the places available. The result is that people moving in after the places have been allocated find themselves either having to go to appeal or sending their children to distant schools, often several miles away. At 11, maybe travelling several miles to school is a minor problem, but for the relocated child who has already faced the trauma of leaving close friends and a supportive social group, the greatest need is to build a new social group in the new location. Sending that child out of area to school works against them settling quickly.

This age group is not the only one facing such problems. The majority of families relocating are facing similar problems whatever age their children may be. Those with children starting

school for the first time who have inadvertently missed the application period can find themselves having to take a five-year-old on a 40-minute walk each morning and evening.

A small number of authorities continue to offer places at the local school for any child moving into the area, but for how long?

The national curriculum, league tables, Ofsted inspections and the opportunity to become grant maintained have all been introduced in an attempt to raise standards and extend parental choice. But have these measures really improved our children's education or given the majority of parents more choice? Surely not.

The introduction of grant-maintained status has made it almost impossible in many areas for families relocating to get school places. Families already resident may apply to a school that is not their "local" one and, provided there is room, they must be offered a place. Once a

school has its full quota of children, families moving in, for whom it would be the local school, have to be turned away. They can appeal but this does not guarantee that they will get a place.

Consider, for example, a family relocating from the North of England to a county in the South. They have three children of school age, one in reception, one in year four and one in year six. The youngest child started school in September at the beginning of his "rising five" year. In order to allow the oldest child to make friends at primary school before moving to secondary school, they decide to move as quickly as possible.

Imagine their frustration when they find that not only will the youngest child have to wait until next September to go to school (despite the fact that he is already attending school), but all places at the local secondary school have been allocated for that

year. As if this is not enough, they discover that the nearest primary school is oversubscribed in year four and they must therefore appeal for a place or send this child to a school further away. What a dilemma.

Or take the family moving from Scotland to Hertfordshire. Their little girl, who is four, has been very upset at leaving friends and family and the parents are anxious that she should attend the local school. She has a place at the nursery school attached to the primary school and has begun to build new relationships with children due to move into reception at the same time. However, because her application for a school place was late, because of the timing of the move and the fact that application cannot be made without an address, she is too low on the list and has been offered a place at a school on the other side of town.

Local authorities work hard to sort out the problems, but measures need to be

taken at a higher level to relieve the current situation. All children deserve similar opportunities in education.

At present, local authorities that still manage to guarantee places are facing overcrowding, larger classes, shortages of equipment and all the attendant difficulties that arise — insufficient toilets, dining facilities and playground space. Authorities that do not guarantee places are faced with a huge rise in the number of appeals and tremendous strain for their administrative staff, who have to attend to the angry parents who cannot get their children into school.

It would be easy to dismiss the experience of the families quoted above as isolated incidents, but in reality the situations faced by these families are occurring with alarming frequency. For many families, the stress is relieved by having someone to guide them through the process, or to advise on areas where they are likely to face fewer problems.

But what of the families who receive no help? League tables, Ofsted reports, promises of higher standards and smaller classes, however beneficial for the state, have little value when it is nigh on impossible to get a school place.

Hugh Thompson discovers a scheme to ease exam-time pressure

Take the stress out of study

EVERY Saturday afternoon about ten A-level and GCSE students meet at the offices of a psychologist, Pauline Reeve, in the centre of Worcester. Over two-and-a-half hours they discuss anxieties and how to handle them. By comparing notes and learning a few simple techniques they hope to leave better equipped to handle not only the stresses and tensions of exams, but the pressure of day-to-day living.

"What I am trying to do is give them strategies for coping rather than denying," says Dr Reeve. "I started the course because I was getting a number of referrals from schools whose students were really disturbed by exams. I realised there was a way of tackling the problems before they became too extreme."

Most of the secondary schools in the city publicise Dr Reeve's course. The scheme is independent and most of her clients are boys. An increasing number come via the recommendation of their friends. Typically, the students find it difficult to settle down to revise, are so pressured that they cannot sleep and get headaches, or feel guilty about doing anything else but work.

Dr Reeve says: "Exams are

I'M TRYING TO COPE WITH MY PSYCHOLOGIST



a difficult time for these youngsters; all kinds of things are happening in their social lives. I believe stress in short doses is good for you since it produces adrenaline and improves performance. But it is damaging over long periods. "If we have belief in our ability to cope, we feel confident and put in more effort. How we think about what is happening affects how we feel

and behave. They all have within them the solution to the problems. I try to help them take responsibility for that solution."

Even during the exam period, students may spend hours tidying up and vacuuming their rooms — anything but get down to the work they find so threatening. The trick is to replace coping strategies, which avoid the problems, to strategies which address and solve the source of the tension.

Giving the students self-belief and confidence is part of the programme. "I cannot wave magic wands. All I can do is give them the techniques which help them focus and cope," says Dr Reeve.

The point is to teach students how to handle the pressure in a way that doesn't interfere with their goals. If they are going out, they must enjoy themselves and not feel guilty. But going out can be used as a reward for doing some particularly dull piece of

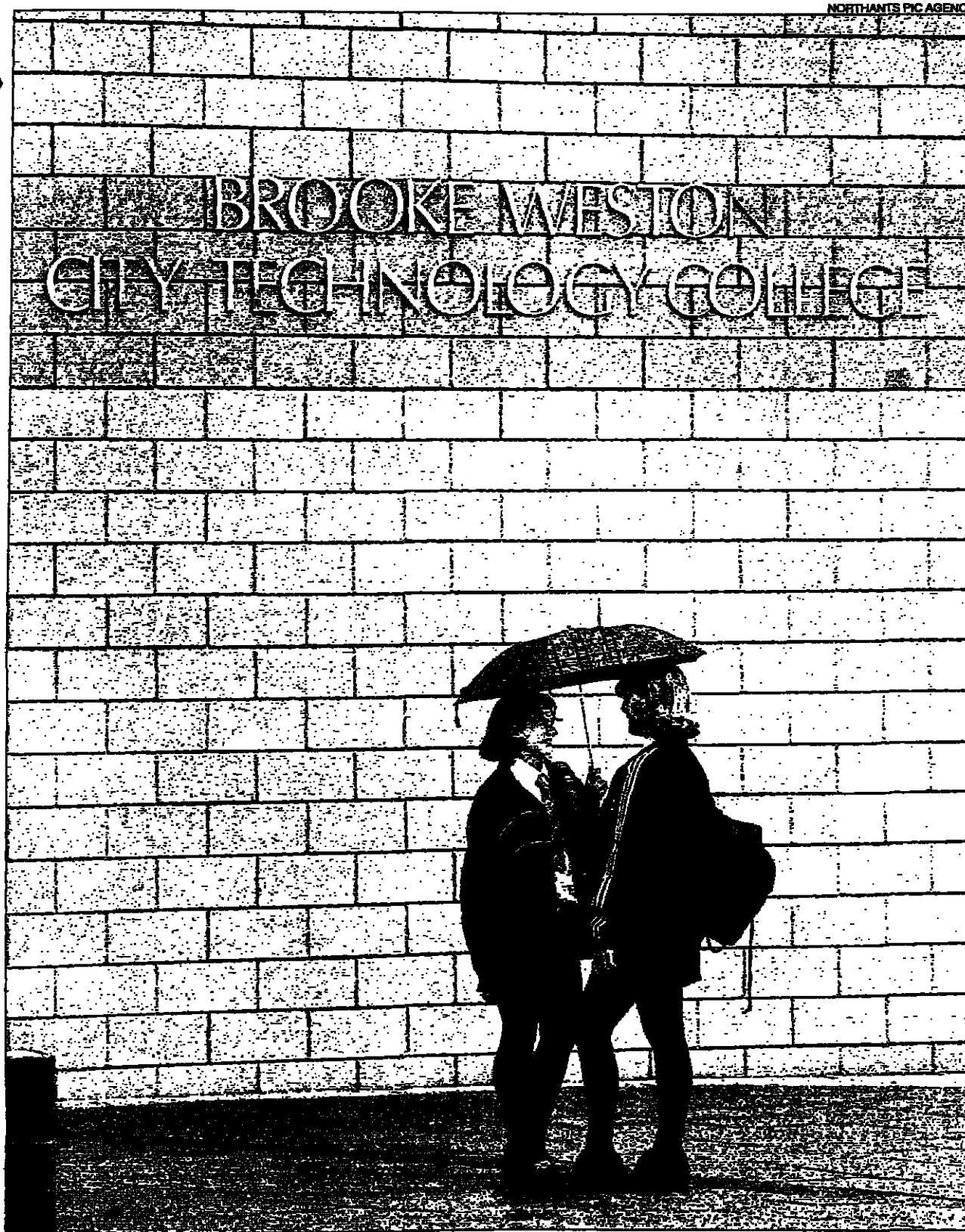
revision. By talking issues through with the others they are helped to find their own strategies.

Neil Baldwin, a GCSE student from Worcester's Royal Grammar School, says: "The course taught me how to avoid anxiety and reward myself when I had done some revision. It also taught me to spread my work out rather than do it all in a rush."

However, Kyriachos Papanitiou, an A-level student, says: "I hoped I would learn specific exam skills but that wasn't on offer. The ideas about relaxing I'd heard at school, but it was easier taking it from an expert."

Jean Flynn has four children all of whom suffered with their A levels, so she was glad that her son Michael did the course. She says: "The knowledge that he is not the only one with problems has helped. He realises now that worrying about exams is not something to be embarrassed about, but can be solved."

David Crook, director of studies at Bredon School, in nearby Gloucester, has had ten of his students take the course. He says: "The kids do get extremely wound up, so anything you can do to make them relax and do themselves justice has to be good."



Brooke Weston City Technology College: educationists around the world are eager to learn the secret of its success

It's a technical knockout

An unlikely school in Corby has emerged as a role model to the world, reports Susan Elkin

Corby in Northamptonshire is a tough town. Since the closure of the steel works in the early Eighties, its ethnic population has experienced high levels of unemployment and deprivation. It is worrying but unsurprising that it also has a tradition of widespread educational underachievement. It is not a place where you would expect to find an exemplar school. Yet Brooke Weston City Technology College (CTC), which opened in 1991, is now one of the most influential and frequently visited schools in Britain.

Almost four out of five GCSE candidates achieved 5 or more A* to C grades last year, an astonishing feat for a state school with a fully comprehensive intake, situated in an area of economic depression.

How is it done? Can it be copied? Almost every day, advisers, heads and teachers from other schools go to Corby to find out. It is also why Gareth Newman, Brooke Weston's Principal, and his senior colleagues are in demand for staff training sessions all over the country.

Even more unusual is the sphere of international influence that Brooke Weston has established on four continents. Schools and education authorities worldwide want to know about Brooke Weston's methods.

The 11-to-16 curriculum is carefully planned and taught at four levels: basic, standard, extended and advanced. Pupils choose and negotiate

which level is right for them. They then work on individual programmes in mixed-ability teaching groups at the bottom of the school, or in self-selected ability sets as they approach the examination years. Post-16 students routinely take four A levels, mixed and matched with advanced level GNVQ courses, the so-called "vocational A levels".

Sophisticated technology is exploited to the utmost. The school year is divided into five terms. The school day is long and without conventional breaks. The school is open to students almost every day of the year and they may, if they wish, stay late into the evening to complete work. The airy pentagonal building is subject-zoned and has no staff room. The artificial "us and them" culture that creates a barrier between staff and students is refreshingly absent.

This is the "product" that two technology colleges, one in Moscow and the other in St Petersburg, have tried to replicate. Even the buildings have been converted and adapted to conform to the same principles. These schools are partly funded by ORT (a Russian

acronym), an organisation that supports international technology throughout the world, especially in Jewish communities. A Russian delegation has visited Brooke Weston and Mr Newman is visiting Russia this month. The Australian state of Victoria has six state-supported technology colleges modelled on Brooke Weston. Mr Newman has made two ten-day lecture trips to Australia, paid for by the Australian Government, during the past three years. In workshops, visits to schools and teacher-education sessions — dealing with school management issues such as timetabling — Mr Newman further passed on practical advice and information about the Brooke Weston way of doing things. He says: "One lecture I gave was attended by every school principal in Victoria."

Overseas visitors to Brooke Weston have included the mayors of Buda and Pest in Hungary, and Mr Newman has lectured there. Students and staff talk casually about a visit from a group of educationists from California. "We're always getting visitors

'We're always getting visitors from abroad'

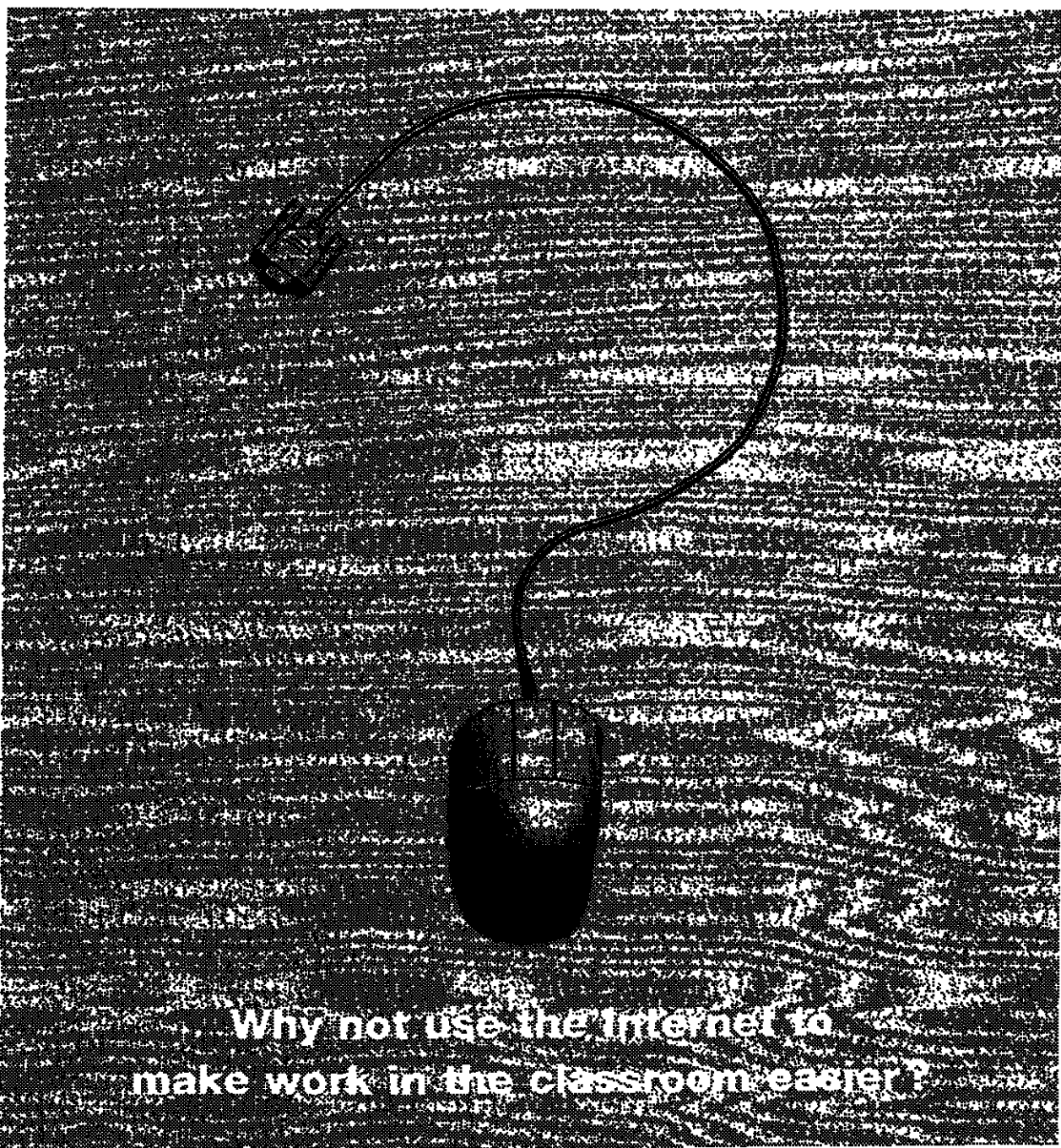
from abroad to this school," one unimpressed year eight boy told me.

Then there is the French connection. The nearest equivalent to a technology college in France is an establishment at the Futuroscope Centre near Poitiers. The Poitiers-based parent association is concerned with the development of technology in French schools. Mr Newman, bilingual and with strong contacts because his wife is French, has also lectured there.

When the Conservative Government set up the CTC programme in the late Eighties, there were howls of outrage. Critics predicted that a small number of elitist "super schools" would emerge to educate a minority at the expense of the rest. They were wrong. What the best of these schools, built with business sponsorship money but maintained by state grants, have done is to act as catalysts by inspiring other schools towards culture change, as was intended.

Who would have imagined a few years ago that a British school in a troubled urban area would be actively influential in improving the education of young people in other parts of Britain and on the other side of the world? That, surely, is a remarkable success story — for Britain as well as for Corby and for the students and staff at Brooke Weston.

● Innovation Opens the Door. Susan Elkin's case study of Brooke Weston CTC, published by TC Trust, 9 Whitehall, London SW1A 2DD. Price £7.50



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RUGBY UNION

Andrews emerges from pain barrier to confront Lions

Mark Andrews makes no bones about it: "The reason I am here is the British Lions series," he said. "The Lions are an unknown quantity. I have played against the New Zealanders, the Aussies, the French, but I have no idea what to expect from the Lions."

David Hands meets the South Africa lock forward who epitomises the world champions' resilience

"We watch the five nations' on television and it seems very boring, not many tries. Yet the Lions are playing almost French-style rugby, but they control the ball better. I don't know how our defence will stand up to that." Apart from what this says to British administrators about Lions tours, it also underscores the sense of uncertainty surrounding South Africa as the team prepares for the first international at Newlands here in Cape Town tomorrow.

Andrews is a fixture in the second row of the Springbok pack — he has played the last 30 internationals in succession since making his debut against England in Cape Town three years ago — and now, at 25, he has become a world-class forward. In that comparatively short time, he has played under four coaches and no more than half of the side that he helped to win the World Cup in 1995 remain. "You always have to adapt, to new coaches, new players and that's the process we are going through now," he said.

In addition, the Natal lock has been through his own crisis. Andrews has an unstable right shoulder that has suffered from the weight of fixtures he has played, for province and country. He estimates that he played 38 matches last year, many of an intensity far greater than British fixtures, though that figure falls short of the 44 played by Martin Johnson, the Lions captain, during the last English season.

Andrews considers a shelf life of no more than another three years, unless he can extend his playing career "on my terms". That is to say, no more than 25 games a season, given the competitive level for

which he would always strive. "I don't think I could drop down a few grades, just to go on playing," he said — this from a man who, from the age of eight, hoped to become a professional rugby player. Andrews, a big man with an amiable disposition, is at home speaking English or Afrikaans, which not all his colleagues are. He hails from Elliot, a small town in the Eastern Cape to the south of the border with Lesotho. His family owns a 2,000-acre farm, to which he hopes to retire when he has hung up his boots. "The game has served me well, but I have given my all to rugby, too, and when we part ways, we part."

He spent a season with Aurillac in France, where, as a fresh-faced 19-year-old, he was thrown into the first XV and played 22 games in 25 weeks. "They didn't teach me anything about rugby, but I grew up very quickly," he said. Sufficiently swiftly to make his way into the ranks of a Natal side that won the Currie Cup in 1992 and then to tour with South Africa to Argentina in 1993. He proved sufficiently



Andrews: amiable

adaptable, too, to accept the unfamiliar role of No 8 in a World Cup semi-final two years later.

"When we won the World Cup, we were the best international team on the planet and I believe we deserved to win," Andrews said. "In 1996, we weren't. We wouldn't have been world champions that year, maybe not in 1997 either. We may be called world champions, but that's not how we see ourselves — now. We are looking forward to Wales and 1999. There have been clashes of interests, over contracts, over coaches, but slowly we are coming together again. I have been very impressed with Cael du Plessis and Gerd Smal [the new South Africa coaches]. They have taught me new skills."

Andrews, 6ft 7in and 17st 9lb, only played in his thirtieth international, against Tonga earlier this month, as a replacement, having announced a place in Natal's Super 12 semi-final against Auckland to work on his shoulder.

"I haven't been happy with my rugby this season," he said. "Part of my game is putting the tackles in, making the hits at rucks and mauls, and there was a time when I was worrying whether I would hurt myself." The Lions need not concern themselves with that facet of Andrews's play tomorrow. Any man who has been through the pain barrier of 100 scrums in one training session, as South Africa did on Monday, is ready for a serious game of rugby.

Andrews is curious about Johnson, of whom he first became aware when he read a profile in a rugby magazine while touring Britain. The two locks have opposed each other only once, at Twickenham in 1995, though even then they were not opposite numbers, since Johnson is a front jumper and Andrews plays in the middle of the lineout.

"He has a great reputation," Andrews said. "I hope for his sake he can live up to it. Life is very hard for sportsmen sometimes. Therein lies an unspoken promise."

Schultz-McCarthy serves warning

By JULIAN MUSCAT, TENNIS CORRESPONDENT

HEAVY skies above Eastbourne almost certainly mirrored the mood of Monica Seles, the defending champion, who trailed Brenda Schultz-McCarthy by one set after 40 minutes of their quarter-final in the Direct Line international championships yesterday.

The scores were locked at 2-2 in the second set when rain forced the match's abandonment after 40 minutes' play and Seles, despite her design on Wimbledon, was probably grateful for the respite. As she had in her second-round victory over Naoko Sawamatsu on Wednesday, she let Schultz-McCarthy, of Holland, back into the match after shaping to race away with it.

Seles, the No 1 seed, established a 5-2 lead before Schultz-McCarthy, employing her powerful service to maximum effect, needed off the next five games. On each occasion, Seles threatened a break, her opponent, seeded No 8, served her way out of trouble.

Seles, of the United States, has triumphed over Schultz-McCarthy in each of their four previous matches. However, she dropped sets in three of them and knows that she is precariously placed when the match resumes this morning.

Seles has yet to win a title this year; she missed the first two months of the season with a broken finger.

In the other quarter-final to reach the court, Natasha Zvereva, of Belarus, secured the opening set from Nathalie Tauziat before rain intervened in a match between two unseeded opponents.

Play commences at 11am today, when the quarter-final and semi-final rounds are due for completion. With Wimbledon starting on Monday, players and tournament officials alike will be anxious to complete the tournament on schedule tomorrow. The tournament has always run its course, although the final was once held over to Sunday.

In common with other sporting events this summer, The All England Club yesterday announced increased security measures over the Wimbledon fortnight. All bags will be searched on entry and cars checked at parking entrances. "The safety of all our visitors is of paramount importance," Christopher Goringe, the club's chief executive, said yesterday.



Seles struggles for inspiration during a difficult 40 minutes' play at Eastbourne.

Pierce forced out by elbow injury

MARY PIERCE pulled out of the women's tournament in Rosmalen, Holland, yesterday, complaining of a strained right elbow and saying that she hopes to be fit for Wimbledon. Pierce wants to give the injury time to heal ahead of Wimbledon, which begins next Monday, Shaun Beckish, a spokesman for the Women's Tennis Association, said.

"She strained the elbow in the last game of her doubles match," Beckish said. Pierce and her partner, Anke Huber, had reached the semi-final of the doubles tournament. In singles play, Pierce beat Sarah Pitkowski, of France, 6-3, 7-5.

Persistent rain throughout the day and the threat of more to come — left the referee, Tony Gathercole, with little choice but to call off play at the Wimbledon qualifying tournament at Roehampton yesterday without a

ball being hit. The final round in the men's and women's singles should have been played, with British players involved in both, but although the covers came off briefly at lunchtime, the rain quickly returned.

Miles MacLagan, 22, of Scotland, was to play Oscar Burrieza of Spain, for a place in the main draw. In the women's singles, Amanda Janes was to meet Miriam Schnitzer, of Germany.

FOOTBALL

Platt given all-clear by Arsenal to leave

By DAVID MADDOCK

ARSENAL have confirmed that David Platt will be allowed to leave Highbury to become player-manager of Southampton. Speaking yesterday, Arsène Wenger, the manager, indicated that he would not stand in the player's way should he wish to leave the club.

Platt has been interviewed by Rupert Lowe, the Southampton chairman, and is now thought to head the list of candidates in the search for a successor to Graham Taylor. "Only David knows where he stands and if he's happy to go somewhere, then we would certainly consider letting him go," Wenger said.

Platt remained tight-lipped yesterday, but he has hinted strongly that he would be attracted to a role as player-manager if the right opportunity arrived. Yesterday, Lowe refused to confirm his interest in Platt, but he did suggest that he would find a manager before the end of the month.

Arsenal, meanwhile, confirmed that Don Howe would be rejoining the club as the head of youth coaching from July 1. Howe has left his position with the Football Association to return to the club where he was manager during the 1980s.

An Everton board meeting ratified their interest in Andy Gray as a new manager at the club last night and a formal offer is likely to be made today. Gray will accept despite the sudden availability of Bobby Robson, who was the original managerial target of Peter Johnson, the Goodison Park chairman.

Robson will now leave Barcelona at the end of the month, after the club confirmed privately that Louis van Gaal has been given a contract as coach next season.

Rangers completed the £3.7 million transfer of Marco Negri, a striker, from Perugia, the Italian club, yesterday, while Alex Rae will join Crystal Palace from Sunderland for £1 million.

Middlesbrough have revealed that they made a loss of £10 million during their first season in the FA Carling Premiership.

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THE SUNDAY TIMES

Black Bears advance with strong finish

URS SCHWARZENBACH'S team, the Black Bears, reached Sunday's final of the high-goal Alfred Dunhill tournament for the Queen's Cup when they defeated the Buffalos, who are put together by Jean-Francois Decaux, by 8-5 at Smith's Lawn yesterday (John Watson writes).

The wet turf made for hazardous conditions and driving shots went astray too often. It was not always easy to avoid committing fouls.

There was little to choose between two superbly-mounted quartets, the Buffalos being based on the power of the Argentine duo, Sebastian Merlins and Juan Bollini, staunchly backed by Anthony Fanshawe with their useful player-patron in the No 1 slot.

Black Bears pivoted on the American ten-handicapper, Mike Azzaro, who has a close understanding with his No 2, Tomas Llorente.

By half-time, when the pitch was a mass of sodden divots, the Buffalos were 3-1 ahead, but the Bears drew level at 4-4 in the fourth chukka. After a penalty goal by the Bears, the sixth and last chukka began with them 6-5 ahead and they dominated the remainder of a contest.

Sunday's final, starting at 3pm, will be followed by the final of the Queen's Cup subsidiary event, the Alfred Dunhill Cup.

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France bestows highest honour on the reluctant hero of the sea

MICHAEL CALVIN



In Paris

The President swept into the Elysée Palace with due pomp and circumstance at noon yesterday. A military escort, flanked by protocol officials in morning suits, danced in attendance. The Englishman he had invited to receive France's foremost honour surveyed the opulent scene with eyes as wide as the hole in his battered sailing shoes.

"What am I doing here?" Pete Goss murmured, as he was called before Jacques Chirac, who expressed the thanks of a grateful nation by presenting him with the Légion d'honneur. A wan-faced young man in a peach-coloured shirt, self-consciously attempting to blend into the small crowd of friends and family, knew better than anyone.

Raphael Dinelli still has difficulty with his vision, impaired when his eyeballs were soured by halibut as he stood in the freezing waters of the Southern Ocean, his yacht sinking beneath him. He is being sued by his sponsors for failing to sail around the world, but, thanks to Goss, he is still alive.

"I'm so happy for Pete," Dinelli said. "This is his day." Chirac threw his arms around them both and called Dinelli's rescue "a magnificent example of the generosity of spirit and the solidarity of humanity". The rest of the world called it a miracle. In stark, simple terms, Goss risked his life, just as he had risked bankruptcy to compete in the Vendée Globe, the solo circumnavigation that represents yachting's most rigorous test of character.

Around 150,000 spectators welcomed him back to Britain in late March, yet, as Goss said yesterday, "this is a race that doesn't finish with the finishing line". Despite being able to use the advance for his forthcoming autobiography as a deposit on a new house, he remains £35,000 in debt. Due to a process of emotional osmosis he does not profess to understand, he has come to represent something priceless in a world of shifting values.

The principal virtue that he embodies — selflessness —



Goss, right, smiles proudly after receiving his award from President Chirac, centre, together with Dinelli

may be unfashionable, but it commands the widest of audiences. He receives more than 30 letters a day, from as far afield as China. Many are addressed, simply "Pete Goss, Round the World Yachtsman, Plymouth". "It's wonderful," he said. "The goodwill that comes out of those envelopes keeps you going. It's quite humbling that a stranger should feel the need to make contact with someone he doesn't know."

Fame is a hall of mirrors. Goss estimates that around 20,000 articles have been written on the rescue, sparked when Dinelli's yacht capsized during a storm on Christmas Day last year. He has been profiled across the magazine spectrum, from *Hellat to Penthouse*. For someone who prides himself on his level-headedness, being depicted as a cross between Superman and Mother Teresa is a severe culture shock.

"Times are manic," he chuckled. "I feel like I've come back to another planet. I left the phone for six hours the other day and when I got back there were 40 messages. How do you cope with that? It's harder to deal with than the race, oddly enough."

"Everything has changed, though, in reality, nothing has changed. People treat you differently. The same person

who has said good morning to you every day for years says it a little differently. I go to get a cab after giving a talk and I find a lady telling the driver, 'I'm sorry, this is not good enough for Mr Goss'."

"Obviously, the race captured the world's imagination, but I'm not a hero. I wasn't when I left and I'm not now. It's just me in my flip-flops, doing what I can." President Chirac, for one, begged to differ. He devoured Tracey, the British yachtsman's wife, in a bear hug and told her: "He is a special man, who has done a special thing."

Dinelli did not seem so at ease. He is weighed down by legal worries and his attempt to purge himself of the trauma by writing a book, which is eighth on the French best-sellers list, has only been partially successful. Every question he was asked yesterday implicitly demanded gratitude and he admitted: "So many things are still with me."

Goss is acutely sensitive to the situation. He has been chosen to be best man at Dinelli's wedding later in the year and will sail with him on the Jacques Vabre transatlantic race, from France to Colombia, in October. The promotional value of such a joint venture is immense, but their friendship has a unique depth.

"It feels as if we are brothers," Goss said. "He was lucky to get away with it, basically. I still get all emotional when I talk about it. It was a privilege to save him. When I pitched up and rescued him we were in an unusual situation. There was no ambulance to stick him into, no doctor to attend him. That was down to me."

For ten days, before I dropped him off in Hobart, there were just two of us. No one and nothing else entered our world. We talked about the sort of things conversations don't normally extend to. We opened ourselves up to each other and set our relationship in concrete.

"There is an extraordinary warmth to the French. I visit schools here and they sing songs, in parrot-fashion English, about the rescue. With the French, it is straight from the heart and that is why today is so special to me. They have a real empathy with the sea. They understand the scale of its challenge."

They also recognise a hero when they see one. Even if he refuses to wear socks on a Eurostar day trip to see the President.



Reunited: Dinelli, who had been rescued by Goss, greets the Englishman at the end of the Vendée Globe race

Army team conquers calm times

By EDWARD GORMAN SAILING CORRESPONDENT

FOR the third time, a team from the Royal Marines has won one of the most gruelling races in sport, the Three Peaks Yacht Race, which combines 74 miles of fell running up Mount Snowdon, Scafell Pike and Ben Nevis with 389 miles of sailing from Barmouth to Fort William.

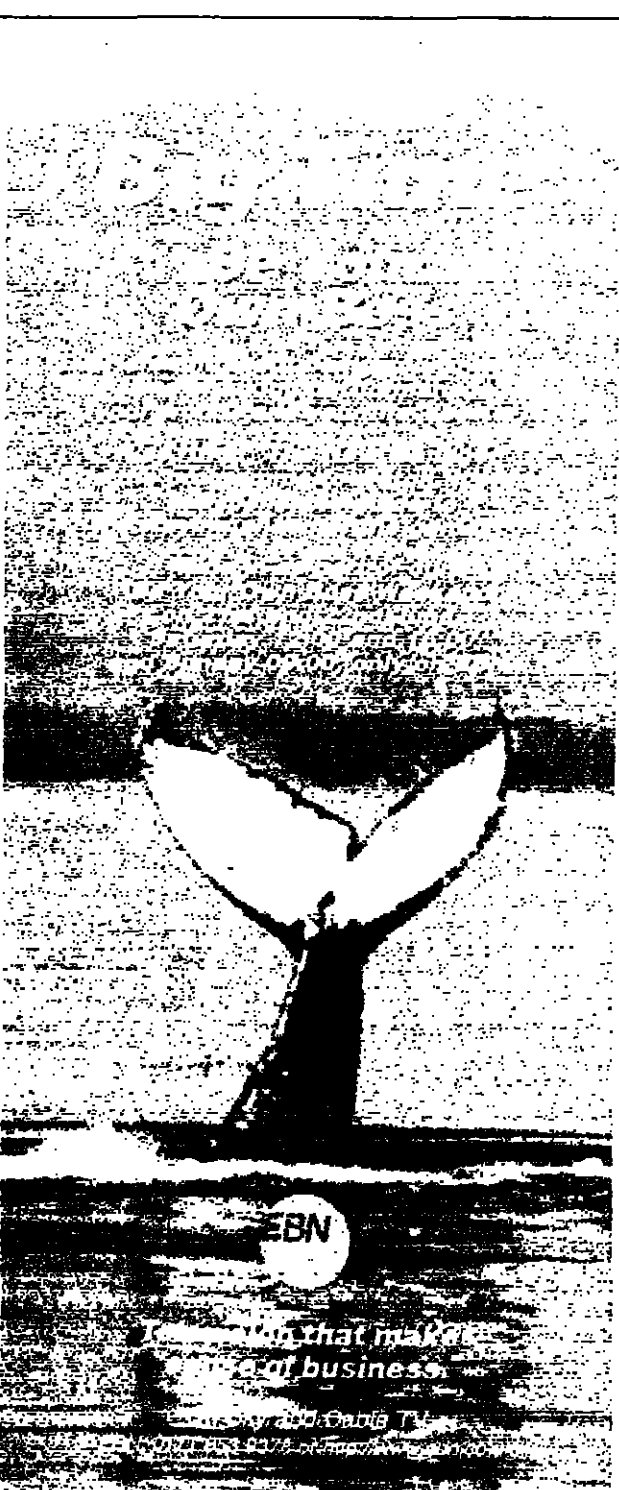
For this, the 21st anniversary of the event, 22 five-man crews turned out at the start on Saturday, with the last yachts still edging towards the finish at Fort William yesterday. The Marines, sailing the 40ft Nic Bailey-designed trimaran *Royal Marine Commando*, formerly known as *Molly Hawk*, burned off the competition, completing the course in three days, 19 hours and 33 minutes to win the overall and multi-hull titles.

Skipped by Major Jeremy Heat, they led virtually the whole way and showed guts and determination when the going got tough. After their two fell runners, Marine David Rodgers and Captain John Rye, were first up and down Snowdon, they found themselves becalmed at low water in the Menai Strait. They put a man ashore and dragged the 11-ton trimaran, in between bouts of rowing and wading.

Sailing up to Fort William, they were again becalmed and rowed the last 45 miles in 12 hours with just one working oar after a rowlock fell overboard.

Second place in the multi-hull division went to the Ferrier F27 *Triharda*, skippered by Gareth Owen. The Bull 7000, *Myriad TV*, skippered by James Thompson, won the monohull division.

Small Fry



Ambition on two wheels

Visions of Snowdonia BBC2, 8.00pm

The last of six films of consistent quality features Siân Roberts, resident of Snowdonia and a leading Welsh sportswoman. She is a mountain biker and we meet her as she is trying to make the British team for the Atlanta Olympics. Although hampered by back trouble she is a resilient character with a cheerfully outgoing personality. To make a living in an area of few jobs, Roberts, and her trainer-cum-partner, rent out mountain bikes and run a café. She hopes that a new cycle route through the forest will generate more economic activity. Meanwhile she flies the flag for her country, gently educating the café's predominantly English customers about the importance of Welsh language and culture. So ends a pleasing series, with congratulations to Graham Johnston who produced, directed and filmed it.

Garden Party Channel 4, 8.00pm

Even the gardening programme makes its contribution to the Channel 4's *Banged Up* season as Tom Barber, David Jones and Sue Phillips take their horticultural expertise to Sudbury open prison in Derbyshire. Here the staff have made gardening a central part of the inmates' regime, an activity promoted as being physically demanding, educational and therapeutic. The results go well beyond vegetables for the kitchen, displays of hanging baskets and colourful borders. More surprising features include a pond, a bog garden, a laburnum arch and a rose garden. But perhaps we should not be surprised, particularly if we have seen the outstanding gardens created by prisoners for the Chelsea Flower Show. It takes talent and it also takes something the rest of us never have enough of for the garden: time.

Testing... Testing

What with *Countdown*, the *National Lottery Live* and *Computers Don't Bite*, it has been hard to avoid Carol Vorderman on television recently, and she has a new BBC series coming up next week. Meanwhile, here she is, introducing footage of safety and durability tests. It may sound a curious



Drama in the 1840s (BBC1, 9.30pm)

idea for a one-off, let alone the series that may eventually follow, but the material is more compelling than you might think. High-speed impacts bulk spectacularly large, whether it is a jet plane crashing into a nuclear fuel container, a loaded tanker hitting a motorway bridge or a fairground ride hurtling towards the ground. More prosaic, but no less intriguing, are tests to determine the flush of a lavatory and the British standard bottom. Seldom can technology have been so so much fun.

Drovers' Gold BBC1, 9.30pm

Admittedly there was no M4 in the 1840s but the cattle drive from Wales to London still seems to be taking a very long time. But High Wycombe is reached tonight and London should soon be in sight. The impression remains of a well-made drama, with solid acting and plenty of incident, which has not quite caught fire. Perhaps the narrative has tried to carry too many plot strands at the same time and spread the interest too thinly. But there has been much to savour in the performances of such seasoned and reliable players as David Calder, Freddie Jones and Robert Pugh, not to mention the excellent Geraldine James and a raft of good younger players. Tonight there is an excursion into social history, as Fugate's Hand stops off at a village stricken by cholera and suggests a remedy.

Peter Waymark

RADIO CHOICE

According to Buckridge Radio 4, 10.00am (FM only)

One of the tests that separates a good documentary from a humdrum one is whether it expands the boundaries of its nominal subject or merely drifts about within them. On that basis, *According to Buckridge* is a success. I was shamefully ignorant until this programme, of the fact that Anthony Buckridge's Jennings books started out as a radio series and it was their success in that medium that inspired the books. But this programme is not really about Jennings. Instead it follows Buckridge on a trip to France, where he searches for the unmarked grave of his father, killed on his first day in the trenches in 1917. Anthony had known little about his father until he discovered letters to his mother in the 1960s.

RADIO 1

7.00am Mark Radcliffe and Boy Land 9.00 Simon Mayo 12.00 John Wiley 2.00pm Nicky Campbell, includes Afternoon Lovestart 4.00 Kevin Greening 6.15 Newsbeat 8.30 Polo Today - Essential Selection 10.00 One in the Jungle 3.00am Charlie Jordan

RADIO 2

6.00am Alex Lester 7.30 Sarah Kennedy 9.30 Ken Bruce 11.30 Jimmy Young 1.30pm Debbie Thorne 3.00 Ed Stewart 5.05 Chris Sme 7.00am Greg 7.30 Friday Night is Music Night 9.15 Bom Free (3/5) 9.30 A Taste of Brass 10.00 Sheridan Morley 12.05am Jo Briggs 2.30 Pause for Thought with Michael Walsh

RADIO 5 LIVE

5.00am Morning Reports 6.00 The Breakfast Programme 9.00 The Magazine 12.00 Midday with Mar 2.00 Ruston on Five 4.00 John Wonnor 5.00 News 7.00 Friday Sport. Featuring coverage of rugby league's World Club championship with commentary on Bradford Bulls v Cronulla Sharks and news of Sheffield Eagles v Hunter Mariners and Adelaide Rams. 10.00am Page Talk 11.00 News Extra 12.00 After Hours 2.00am Up All Night

TALK RADIO

5.00am Chris Ashley and Sandy Watt 7.00 Paul Ross 9.00 Chris Wofsy. See Choice 12.00 Loraine Kelly 2.00pm Tommy Boyd 4.00 Drive-time, with Peter Deesley 7.00 Mac Dees Sportszone 10.00 Mike Allen 1.00am Ian Collins

Scott Chisholm Talk Radio, 9.00am

The reader who wrote to ask why I am "obsessed" with BBC programming will, I hope, be pleased with this listing, though I should point out that I prefer to recommend programmes I have heard in advance and the BBC provides tapes, whereas other stations usually do not. However, I have heard enough of Scott Chisholm to say with confidence that this is a phone-in show worth hearing. Chisholm knows how to put the more extreme callers in their place and his feisty manner and journalistic knowledge of the issues give the debate a muscularity which is often missing from this type of programming on the BBC. Chisholm's first hour is a specialist slot and today three experts take calls on private pensions.

Peter Barnard

WORLD SERVICE

All times in BST. News on the hour. 8.00am Newsday 8.30 Europe 7.15 World Today 7.30 Pick of the World 8.15 Off the Shelf 8.30 Music Review 9.10 Pause for Thought 9.15 Performance 9.30 John Peel 10.05 Business 10.15 Bom a Girl 10.30 BBC English 10.45 Sport 11.30 Asymmetry 12.30 Faith 1.05 Business 1.15 Britain 1.30 Vision of Reality 1.45 Sport 2.00 Newshour 3.05 Outlook 3.30 Multitrack 4.05 Football 4.15 Twists of Nature 4.30 News in German 5.00 Europe 5.30 Business 5.45 Britain 6.15 World Today 6.30 News in German 6.40 Spotlight 6.45 Sport 7.30 Faith 8.01 Outlook 8.25 Pause for Thought 8.30 Multitrack 9.00 Newshour 10.05 Business 10.15 Britain 10.30 People and Politics 10.45 Sport 11.30 World Today 11.45 Sport 12.30 Multitrack 1.30 From the Weeklies 1.45 Britain 2.30 Streets of London 3.20 People and Politics 4.05 Business 4.15 Sport 4.30 Weekend 4.45 Off the Shelf 5.00 Outlook 5.45 Music Brief

CLASSIC FM

4.00am Mark Griffiths 6.00 Alan Mann 9.00 Henry Kelly 1.00pm Concerto. Boughton (Oboe Concerto No 1 in C major; Ruben (Viola Concerto); 2.00 John Nesch 7.00 News 7.30 Sonata Beethoven (Violin Sonata No 1 in D major, Op 12) 8.00 Concert. Ghika (Violoncello, Russian and Lullaby); Lalo (Symphonie Espagnole) Brahms (Four Piano Pieces Op 119) 10.00 Michael Nappin 2.00am Concerto (1)

VIRGIN RADIO

6.00am Russ 'n' Jones's Breakfast Experience 10.00 Graham Chen 1.00pm Jeremy Clark 4.00 News 7.00 Paul Coyte (FM) / Robin Richards (AM) 10.00 Alan Freeman 12.00 Mark Forrest 2.00am Richard Porter

RADIO 3

5.15 In Tune, Presented by Andrew Green. Includes Elgar (Overture: Cockaigne) Smet (Lullaby: CPE Bach (Symphony in E flat, Wq 183 No 2) 7.30 Luthames Festival of Baroque Music. Recorded at St James's Church, Piccadilly, Emma Kirby, soprano, London Baroque conductor Charles Medlam. Corelli (Trio Sonata in G minor, Op 3 No 11), Handel (Cantata, Tu Fede? Tu Costante, Trio Sonata in D, Op 5 No 2; Save Reginald, John Ravenscroft (Trio Sonata in G, Op 1 No 8); Handel (Cantata Agrippina Condotta a Morra) 9.05 Gardens in the Ashes. Celia Hawkesworth introduces readings from new Sebasteia by Slobodan Solent and Vladimir Arsenjev (S) 9.25 Vienna Brahms Trio. Boris Kuchner, violin, Orfeo 9.30am News. cello Yuny Morrison, violin Orfeo (Piano: Trio in A, H XV 91, Brahms (Trio in C minor, Op 101) 10.00 Hear and Now. The first of two special editions, recorded before an invited audience, considers Alceste's traditions through music and analysis with a discussion chaired by Ivan Hewitt. Includes Paul Jackstone-Pied piano, and Tunde Jegede cello, performing their own chamber works: Matteo Fargion, percussion Bank and Kevin Vozans: White Man Steeps is performed by Carole Cerasi and James Johnstone, harpsichord; Reiko Ichise, viola da gamba and Matteo Fargion, percussion 11.30 Composer of the Week Radio (1) 12.30am Sappho's Colossus. John Surman talks to the saxophonist Sonny Rollins about his early days in Harlem and the jazz musicians who influenced him (11.55) 1.00 Through the Night, with Donald Macleod

RADIO 4

5.55am Shipping Forecast (LW) 6.00 News Briefing 6.10 Farming Today 6.25 Prayer for the Day 6.30 Today 8.40 Today in Parliament 9.00 News 9.05 Desert Island Discs. Sue Lawley talks to Christina Noble (1) 9.45 Faithtime with Chris Dunley 10.00 News: An Act of Worship (LW) 10.15 On This Day (LW) 10.30 News (FM) According to Buckridge, See Choice 10.30 Woman's Hour, with Ruth Wicks 10.50-1.00pm Test Match Special (LW), England v Australia. Coverage of the second day's play in the second Test at Lord's, including 3.45 Testmate News 11.30 The Natural History Programme (FM), with Jasper Carrott 12.00 News: You and Yours (FM), with Mark Whitaker 12.25pm Food Programme (FM), Veronica Cori uncovers the shared success of the Murre Brewery in Portland, founded in 1860: it is still brewing beer in a country that has been officially dry since 1979 1.00 The World at One, with Nick Clarke 1.15-6.00 Test Match Special (LW), England v Australia. Coverage of the second Test from Lord's, commentary by Jonathan Agnew, Christopher Martin-Jenkins and Neville Oliver, with comment from Chris Cowdrey, Mike Selvey, Dennis Lillee and Jeff Thomson 1.40 The Archers (FM) (1) 1.55 Shipping Forecast 2.00 News. Classic Serial: The Story of an African Farm (FM), by Owen Schreiner. Dramatised by Marion Barlett (1) 3.00 News: The Afternoon Shift (FM), with Laure Taylor and guests

FREQUENCY GUIDE. RADIO 1, FM 97.6-99.8. RADIO 2, FM 98.0-99.2. RADIO 3, FM 90.2-92.4. RADIO 4, FM 92.4-94.6. LW 198, MW 720. RADIO 5 LIVE, MW 693, 909. WORLD SERVICE, MW 646, LW 198 (12.45-5.55am). CLASSIC FM, FM 100-102. VIRGIN RADIO, FM 105.8, MW 1197, 1215. TALK RADIO, MW 1053, 1089. Television and radio listings compiled by Peter Dear, Ian Hughes, Rosemary Smith, Susan Thomson, Jane Gregory and John McManis.

The laughter-packed proof that less is more

Television has made fortunes for comedians, but there is a catch: the more material transmitted to ten million or so people gives said material built-in obsolescence. Much like a piece of headgear created for Ascor, national exposure makes it old hat in no time.

Occasionally, however, there comes a comedy show that one can cheerfully sit down and watch twice. Last night Mel Smith and Griff Rhys Jones began their first run for two years and demonstrated that limiting one's television exposure is the surest way to maintain quality and remain in demand. Smith and Jones (BBC1) is simply brilliant.

Several double acts, including Hale and Pace, have come to the screen since the halcyon days of Morecambe and Wise, but none except Smith and Jones is remotely to be compared to Eric and Ernie.

Not that the comparison is real, for those dozens depended almost entirely upon Morecambe's matchless timing. In truth the material was often somewhat thin. Smith and Jones pull off an even harder trick: they are intrinsically funny but never rely on the fact. Instead they use a combination of good ideas and clever writing to produce sketches and to-camera pieces of genuine quality. Too often television comics produce so-called humorous sketches that have a single funny line, usually the punchline. Smith and Jones' sketches are funny in conception as well as in execution.

The running gag last night had the pair as co-pilots trying to park a jumbo jet as if parking a car at a supermarket. "We'll grab that disabled space." The show also had a wonderful introduction which mocked the BBC's propensity for cookery programmes: "BBC1 is to be relaunched as a rolling 24-

hour cuisine service. Repeats will in future be known as seconds."

I get the impression that Smith and Jones have taken up a recent trend and packed in more material. Yet there is no sense of this occurring on the basis that if you didn't like that gag, there will be another along soon. It was fast but never frantic, and the writing had that key ingredient so often missing elsewhere: it had rhythm.

Some of the briefest routines made clever use of lateral thinking. Jones appeared as football fan with the cross of St George painted garishly on his face. Smith: "Going to the match, then?" Jones: "No, I fell asleep on the barbecue."

Perhaps Smith and Jones had put me in an irreversible mood, but there was something oddly comic about the night's main documentary, *Barred Love*, part of a Channel 4 focus on prison life

REVIEW

Peter Barnard



generically entitled *Banged Up*. This was all about the love lives (or absence of love lives) of couples separated by imprisonment.

Several of the inmates interviewed in Brixton and Wandsworth prisons felt that there should be conjugal visits, citing "more relaxed countries" such as America and The Netherlands. One claimed to have achieved a conjugal visit by means of taking

a position behind a pillar in the visitors' room and inviting his girlfriend to sit on his lap.

I happen to oppose unjust visits, for the same reason that I oppose prisons having appended to them multiple cinemas or temples, bowling alleys: there is no punishment in replicating a criminal's lifestyle behind bars, unless of course he is also allowed to be visited by debt collectors, television licence detector vans and incompetent plumbers.

I did feel sorry for the women. They have to handle all the aforementioned detritus while their men play table tennis. As Barbara, one of the partners, said: "I'm out in the real world, dealing with everyday things like work and paying the bills, so it's a lot harder for me." All that her partner, Michael, had to do was "eat, sleep, talk and play games".

Channel 4 documentaries are not normally coy, but this one seemed a touch shy about the matter of intra-prison relations, so to say. Perhaps it was just as well. There was a mention of homosexuality being "rife" but at least one of the prisoners felt there was a safer outlet in "a picture of Cindy Crawford and an imagination".

And so to that other prison, your average airport on a foggy day. My colleague Matthew Bond has not liked *Airport* (BBC1) and I have to admit that previous episodes have resembled fast-moving action to the same extent that Kenneth Clarke's views resemble those of John Redwood. But I am rather a sucker for this fly-on-the-wall stuff and last night *Airport* had some better moments.

The fog was not very interesting: sort of grey stuff, isn't it? But there was a nice sequence involving the Moscow Symphony Orchestra.

whose entire string section went missing at Heathrow. I thought at first we were being set up for an old Cold War joke. Question: What is a Russian string quartet? Answer: a Russian symphony orchestra after a tour of the West. But, much funnier, the attention of the violinists and cellists had wandered to the money exchange, where they swapped their pounds for, oh, I don't know, half a rouble?

Jeremy, the Aeroflot rep, is emerging as the star of the series. He is a calm man who has seen it all before and clearly expects most if it to come around again, very soon. Jeremy's whole demeanour speaks of Russians as a breed apart and all the more likeable for being so. A missing string section is to Jeremy a mere inconvenience. "They might be at McDonald's playing for a Big Mac," he announced, in a line worthy of Smith and Jones.

6.00am Business Breakfast (75643)
6.00am BBC Breakfast News (74169)
9.00am Breakfast News Extra (546136)
9.20am Cheggers' Challenge A makeover for the staff at one of London's oldest pie and mash shops (387802)

9.45 Killy (7) (5839407)
10.30 Ready, Steady, Cook! (15001)
11.00 News (7): Regional News and weather (290466)

11.05 The Great Escape Cancun, Mexico (7811662)
11.35 Royal Ascot A preview of the final day (4217848)

12.00 News (7) and weather (1450594)
12.05pm Call My Bluff (566188)
12.35 Neighbours (7) (4223914)

1.00 News (7) and weather (73198)
1.30 Regional News (15587285)
1.40 The Weather Show (36782204)

1.45 Royal Ascot Coverage of the 2.30 Windsor Castle Stakes, 3.05 Hardwicke Stakes and 3.45 Wokingham Stakes: Continues on BBC2 (41080778)

4.00 Popeye (8133907) 4.10 Ace Ventura: Pet Detective (9735730) 4.35 Clarissa Explains It All (6178594) 5.00 Newsround (7) (8430407) 5.10 Blue Peter, 30th anniversary of the Blue Peter lifeboat (7) (7183310)

5.35 Neighbours (7) (710827)
6.00 News (7) and weather (407)
6.30 Regional News Magazine (759)

7.00 The Best of Les Dawson Last in the series of highlights from the much-missed comedian's TV show (7) (3846)

7.30 Top of the Pops (7) (643)
8.00 X Cars Using thermal imaging equipment to track down a criminal who thinks he is safe under cover of darkness; and a device which can pinpoint a stolen car. Last in series (7) (12594)

8.30 Auntie's Sporting Bloomsers Mishaps and mistakes in the world of sport. Jockey Willie Carson recalls tales from the turf (7) (1001)

9.00 News (7) and weather (4933)
9.30 **DRIVERS' GOLD** In the penultimate episode, Hand's long-forgotten passions are reignited by the unexpected arrival of an old flame, while Aaron is forced to face up to the truth about his father (7) (683468)

10.25 Anything to Survive (1980) with Robert Conrad, Ocean Hellman and Friends star Matt LeBlanc in an early role. A father and his three children fight the elements for three weeks after becoming shipwrecked on the coast of Alaska. Directed by Zia Dalsen (7) (5438391)

11.55 Cricket: Second Test and Royal Ascot Highlights (708556)
12.55am Jack the Ripper (1958, b/w) with Lee Patterson, John Le Mesurier, Eddie Byrne and Betty McDowell. Clues at the scenes of a series of grisly murders lead Scotland Yard officers to believe an insane surgeon is guilty of Victorian London's most notorious killings. Directed by Robert Baker and Monty Berman (7) (4770518)

2.15 Weather (2858860)

VideoPlus+ and the Video PlusCodes

The numbers next to each TV programme listing are VideoPlus+ numbers, which allow you to programme your video recorder to record a programme by its VideoPlus+ number. Tap in the Video PlusCode for the programme you wish to record. VideoPlus+ numbers are indicated by a Video PlusCode in the programme listing.

For more comprehensive listings of satellite and cable channels, see the Directory published on Saturday

SKY 1

6.00am Morning Glory (802049) 6.40am Pags and Kate Live (4914) 6.50am Another World (2002) 11.00am Days of Our Lives (17559) 12.00pm The Oprah Winfrey Show (36024) 1.00pm General Hospital (36024) 1.30pm The Oprah Winfrey Show (36024) 2.00pm The Oprah Winfrey Show (36024) 2.30pm The Oprah Winfrey Show (36024) 3.00pm The Oprah Winfrey Show (36024) 3.30pm The Oprah Winfrey Show (36024) 4.00pm The Oprah Winfrey Show (36024) 4.30pm The Oprah Winfrey Show (36024) 5.00pm The Oprah Winfrey Show (36024) 5.30pm The Oprah Winfrey Show (36024) 6.00pm The Oprah Winfrey Show (36024) 6.30pm The Oprah Winfrey Show (36024) 7.00pm The Oprah Winfrey Show (36024) 7.30pm The Oprah Winfrey Show (36024) 8.00pm The Oprah Winfrey Show (36024) 8.30pm The Oprah Winfrey Show (36024) 9.00pm The Oprah Winfrey Show (36024) 9.30pm The Oprah Winfrey Show (36024) 10.00pm The Oprah Winfrey Show (36024) 10.30pm The Oprah Winfrey Show (36024) 11.00pm The Oprah Winfrey Show (36024) 11.30pm The Oprah Winfrey Show (36024) 12.00am The Oprah Winfrey Show (36024)

SKY 2

7.00pm Superboy (464931) 7.30pm Superboy (464931) 8.00pm Hercules: The Legendary Journeys (861235) 8.30pm Pacific Drive (861235) 9.00pm Tales from the Crypt (861235) 9.30pm Tales from the Crypt (861235) 10.00pm Tales from the Crypt (861235) 10.30pm Tales from the Crypt (861235) 11.00pm Tales from the Crypt (861235) 11.30pm Tales from the Crypt (861235) 12.00am Tales from the Crypt (861235)

SKY NEWS

Worldwide news coverage, with bulletins on the hour, 24 hours a day, seven days a week

SKY MOVIES

8.00pm Spenser: A Savage Place (1993) 8.30pm Spenser: The Judge (1994) 9.00pm Spenser: The Judge (1994) 9.30pm Spenser: The Judge (1994) 10.00pm Spenser: The Judge (1994) 10.30pm Spenser: The Judge (1994) 11.00pm Spenser: The Judge (1994) 11.30pm Spenser: The Judge (1994) 12.00am Spenser: The Judge (1994)

SKY SPORTS 1

7.00pm Sports Centre (67579) 7.30pm Wrestling (30558) 8.00pm Wrestling (30558) 8.30pm Wrestling (30558) 9.00pm Wrestling (30558) 9.30pm Wrestling (30558) 10.00pm Wrestling (30558) 10.30pm Wrestling (30558) 11.00pm Wrestling (30558) 11.30pm Wrestling (30558) 12.00am Wrestling (30558)

SKY SPORTS 2

8.00pm Cricket: England v Australia Series (414254) 8.30pm Cricket: England v Australia Series (414254) 9.00pm Cricket: England v Australia Series (414254) 9.30pm Cricket: England v Australia Series (414254) 10.00pm Cricket: England v Australia Series (414254) 10.30pm Cricket: England v Australia Series (414254) 11.00pm Cricket: England v Australia Series (414254) 11.30pm Cricket: England v Australia Series (414254) 12.00am Cricket: England v Australia Series (414254)

SKY SPORTS 3

12.00pm Grand Prix, Spain (3325633) 12.30pm Grand Prix, Spain (3325633) 1.00pm Grand Prix, Spain (3325633) 1.30pm Grand Prix, Spain (3325633) 2.00pm Grand Prix, Spain (3325633) 2.30pm Grand Prix, Spain (3325633) 3.00pm Grand Prix, Spain (3325633) 3.30pm Grand Prix, Spain (3325633) 4.00pm Grand Prix, Spain (3325633) 4.30pm Grand Prix, Spain (3325633) 5.00pm Grand Prix, Spain (3325633) 5.30pm Grand Prix, Spain (3325633) 6.00pm Grand Prix, Spain (3325633) 6.30pm Grand Prix, Spain (3325633) 7.00pm Grand Prix, Spain (3325633) 7.30pm Grand Prix, Spain (3325633) 8.00pm Grand Prix, Spain (3325633) 8.30pm Grand Prix, Spain (3325633) 9.00pm Grand Prix, Spain (3325633) 9.30pm Grand Prix, Spain (3325633) 10.00pm Grand Prix, Spain (3325633) 10.30pm Grand Prix, Spain (3325633) 11.00pm Grand Prix, Spain (3325633) 11.30pm Grand Prix, Spain (3325633) 12.00am Grand Prix, Spain (3325633)

6.00am Open University: Healthy Futures — Whose Views Count? (3054848) 6.25 TV Images, Messages and Ideologies (913865)

7.15 See Hear Breakfast News (7 and signing) (1776391)

7.30 Teenage Mutant Hero Turtles (6891285) 7.55 50/50 (7) (283846) 8.20 Mr Bean (596553)

8.35 The Record (2433662)
9.00 A Passion for Angling (7) (3332952)
9.50 Lifetimes in a Day (7) (2535001)

10.00 Teletubbies (9719846)
10.50 Cricket: Second Test England v Australia Tony Lewis introduces live coverage from Lord's (50378049)

1.00 Johnson and Friends (10129827)
1.10 Burke's Backyard (23902575)
1.40 Cricket: England v Australia Day two at Lord's. With commentary from Richie Benaud, David Gower and Geoffrey Boycott (53188827) 3.55 News, regional news and weather (3889285)

4.00 Royal Ascot, Cricket and Women's Tennis Racing from Ascot, Cricket, Tennis and Women's Tennis coverage through to the close on the second day of the second Test at Lord's; Tennis: Women's semi-final action from Devonshire Park, Eastbourne (95169371)

7.15 Cardiff Slinger of the World Singers from Russia, the Czech Republic, Ireland, Mexico and South Africa take part in the final preliminary round (677730)

Mountain biker Stan Roberts (8.00)

6.00 **VISIONS OF SNOWDONIA** Olympic mountain biding hopeful Stan Roberts discusses the hardships she faces trying to earn a living and train in Snowdonia (7) (9376)

8.30 Gardeners' World A tiny beetle which is the most environmentally friendly way of dealing with whitefly, plus giant floral sheep in Maidstone, Kent, and growing trees from seed (7) (5643)

9.00 The Fast Show with Paul Whitehouse and Caroline Aherne (7) (2575)

9.30 Alexei Sayle's Comedy Hour The comic introduces his pick of clips from the archives, including, at 10.00: Sykes: Stranger (7) (74310)

10.25 Video Nation Hong Kong Shorts (888285)
10.30 Newsnight (7) (572597)

11.15 The A Force Entertainment series, with the actor David Harewood making a guest appearance (384440)

12.45am The Virgin Spring (1969, b/w) A young maiden is murdered and buried in a forest by a gang of vicious Vikings, leaving her parents to exact a savage revenge. Ingmar Bergman's Oscar-winning adaptation of a medieval legend. Followed by Weatherwise (541688) Ends at 2.15

6.00 **GMVTV** (9238222)
6.25pm Supermarket Sweep (7) (7) (3393339)
9.55 Regional News (7) (4070372)
10.00 The Time, the Place (52117)
10.30 This Morning (7) (65424952)
12.20pm Regional News (7) (1456778)
12.30 News (7) and weather (4459339)
12.55 Designed by Emanuel (4427730) 1.25 Murder, She Wrote (7) (9022001) 1.50 Murder, She Wrote (7) (9022001) 2.50 Garden Calendar (7) (2134407)

3.20 News (7) (3602136)
3.25 Regional News (7) (3601407)
3.30 Rosie and Jim (3412564) 3.40 Slim Pick (3389575) 3.50 Cartoon: Time (3416310) 4.05 The Treacle People (7) (1288876) 4.15 The Evil Arnold (7) (9736469) 4.40 Get Wet (7) (6044204)

5.10 A Country Practice (8327204)
5.57 Pollen Count (451198)
6.00 Home and Away (7) (720730)
6.25 HTV Weather (946339)
6.30 The West Tonight (827)
7.00 Lucky Numbers presented by Shane Richie (7) (8914)

7.30 Coronation Street As Angie's friends gather to celebrate her birthday, a couple of surprise guests arrive (7) (338)

8.00 The Bill When Garfield and Blake are called to help enforce the demolition of a home, a neighbours' dispute erupts into violence (7) (7682)

8.30 **TESTING... TESTING** Carol Vorderman introduces footage of scientists testing the safety of man-made objects from crash barriers to cars, rollercoasters to jet airplanes (7) (3468)

9.00 The Man Who Made Husbands Jealous Kitty and Lyndee fall in love but her abusive husband stands in their way (3/3) (6843)

10.00 News (7) and weather (32778)
10.30 Regional News (7) (72655)
10.50 **TESTING... TESTING** Carol Vorderman introduces footage of scientists testing the safety of man-made objects from crash barriers to cars, rollercoasters to jet airplanes (7) (3468)

10.40 Used Cars (1980) with Kurt Russell, Jack Warden and Gertie Graham. A raucous comedy about selling rivalry in the used car business. Directed by Robert Zemeckis (26125943)

12.45am The Weekly World News (9297131)
1.05 The Survivor (1980) with Robert Powell, Jenny Agutter and Joseph Cotten. Supernatural horror based on James H. Hearnings (303676)

2.40 Club Nelson (7) (6080978)
3.40 Bankers (7) (604624)
4.35 Collins and Maconie's Movie Club (7) (8174044)

5.00 Coronation Street (7) (44112)
5.30 News (44537)

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10.30 Regional News (7) (72655)
10.50 **TESTING... TESTING** Carol Vorderman introduces footage of scientists testing the safety of man-made objects from crash barriers to cars, rollercoasters to jet airplanes (7) (3468)

10.40 Used Cars (1980) with Kurt Russell, Jack Warden and Gertie Graham. A raucous comedy about selling rivalry in the used car business. Directed by Robert Zemeckis (26125943)

12.45am The Weekly World News (9297131)
1.05 The Survivor (1980) with Robert Powell, Jenny Agutter and Joseph Cotten. Supernatural horror based on James H. Hearnings (303676)

2.40 Club Nelson (7) (6080978)
3.40 Bankers (7) (604624)
4.35 Collins and Maconie's Movie Club (7) (8174044)

5.00 Coronation Street (7) (44112)
5.30 News (44537)

6.00 **GMVTV** (9238222)
6.25pm Supermarket Sweep (7) (7) (3393339)
9.55 Regional News (7) (4070372)
10.00 The Time, the Place (52117)
10.30 This Morning (7) (65424952)
12.20pm Regional News (7) (1456778)
12.30 News (7) and weather (4459339)
12.55 Designed by Emanuel (4427730) 1.25 Murder, She Wrote (7) (9022001) 1.50 Murder, She Wrote (7) (9022001) 2.50 Garden Calendar (7) (2134407)

3.20 News (7) (3602136)
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3.30 Rosie and Jim (3412564) 3.40 Slim Pick (3389575) 3.50 Cartoon: Time (3416310) 4.05 The Treacle People (7) (1288876) 4.15 The Evil Arnold (7) (9736469) 4.40 Get Wet (7) (6044204)

5.10 A Country Practice (8327204)
5.57 Pollen Count (451198)
6.00 Home and Away (7) (720730)
6.25 HTV Weather (946339)
6.30 The West Tonight (827)
7.00 Lucky Numbers presented by Shane Richie (7) (8914)

7.30 Coronation Street As Angie's friends gather to celebrate her birthday, a couple of surprise guests arrive (7) (338)

8.00 The Bill When Garfield and Blake are called to help enforce the demolition of a home, a neighbours' dispute erupts into violence (7) (7682)

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